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CONTADORA, SUPPORT GROUP MINISTERS MEET IN URUGUAY

Punta del Este Declaration

PY282345 Madrid EFE in Spanish 2203 GMT 28 Feb 86

[Text] Punta del Este, 28 Feb (EFE) -- The foreign ministers of the Contadora Group and its Support Group, who have been meeting in Punta del Este, have issued the following declaration:

"1. The foreign ministers of Colombia, Mexico, Panama, and Venezuela, members of the Contadora Group, and the foreign ministers of Argentina, Brazil, Peru, and Uruguay, members of the Support Group, met in Punta del Este, Uruguay, on 27 and 28 February to analyze the Central American situation, evaluate the fulfillment of their proposals, and continue with the actions outlined in the Caraballeda Message for the preservation of peace, security,and democracy in Central America.

"2. The ministers were pleased to note that the international community has explicitly supported the Caraballeda Message and that the Central American governments themselves have pledged their support for the Guatemala declaration. Thus, the Contadora Group efforts to bring peace to the region have received new impetus, showing that this is the only proper path leading to a just and negotiated solution to the crisis.

"3. The ministers stressed the importance of the resumption of relations between the Costa Rican and Nicaraguan Governments, noting the positive results of a meeting that the deputy foreign ministers of those two countries held, with the participation of the Contadora Group, on 24 February in Managua. In this regard, the ministers expressed their support for this type of action, which helps create an atmosphere of confidence in the region and which attests to the wish to promptly pacify the region.

"4. During the meeting held in Managua, another meeting was called for 12 March in San Jose, Costa Rica, where the operational procedures of a "Civil Commission for Prevention and Observation" will be established. This commission, which will operate alon, the Costa Rican-Nicaraguan border, will have every technical and logistical means neededto operate with international participation. This task will be undertaken by the Contadora Group,with the cooperation of its Support Group.

"5. The creation of this commission is clear evidence of the progress that is being made and that will undoubtedly be achieved through Latin American consensus and unity. Latin America must and can solve its own problems without foreign intervention.

"6. The foreign ministers agreed that it is indispensable to conclude immediately the negotiations on the Contadora Document for Peace and Cooperation in Central America, on the basis of the proposals that the Contadora Group has put forward on the issues that are still to be solved, so that the document can be promptly signed and enforced.

"The ministers also stressed that the Caraballeda Message, far from replacing the negotiations on this document, has contributed to the enforcement of the document.

"7. The foreign ministers emphasized, however, that the 'permanent bases for peace' contained in the Caraballeda Message should be fully enforced. Thus, they believe that the necessary efforts should be made to initiate the actions outlined in Caraballeda.

"These actions must be taken simultaneously to reinforce the mutual confidence that is indispensable to achieving peace. It would not be acceptable to take some of these actions to the detriment of others. It should be noted that each of these actions stands by itself and that implementation of one measure cannot be tied to another, because they are all political and legal obligations for each state.

"8. The foreign ministers reiterated that foreign support to the irregular forces and insurrectional movements operating in the region must be stopped to restore international legal order and contribute to promoting the peace efforts.

"9. The foreign ministers also stated that negotiated solutions must be found to the internal conflicts under way in some countries of the region. They also stated that the respective governments should urgently adopt measures that would promote a genuine national reconciliation. Regarding this particular subject, they reiterated their desire to contribute to solving these conflicts with every possible means.

"10. The foreign ministers expressed their satisfaction at the upcoming summit of Central American presidents, which will undoubtedly contribute to furthering the atmosphere of understanding that will be instrumental in restoring much-needed peace.

"11. The foreign ministers stated that the creation of a Central American parliament may contribute to achieving these goals, especially that of strengthening and providing stability to the democratic processes now under way in all Central American countries, processes that must be consolidated.

"12. The foreign ministers decided to continue their peace efforts, and to this end they extended a cordial invitation to their counterparts from the five Central American countries to discuss the progress made thus far and new courses of action at a meeting to be held during the second half of March on Contadora Island.

"13. Finally, the foreign ministers stated that to solve the Central American crisis means to ensure peace, security, and prosperity in the entire Latin America region. History has shown that every intervention in Latin America as well as every intervention by any country in the domestic affairs of another, has violated the international legal order and thus seriously threatened peaceful coexistence among nations.

"14. Democratic self-determination, territorial integrity, and noninterference are the irreplaceable bases on which the Central American crisis should be solved, as well as the irreplaceable conditions for our existence as free, independent nations."

EEC, Canada Support Sought

PY010234 Paris AFP in Spanish 2045 GMT 28 Feb 86

[Text] Punta del Este, 28 Feb (AFP) -- Colombian Foreign Minister Augusto Ramirez Ocampo announced here today that the member countries of the Contadora Group will invite Europe and Canada to participate in an almost 100-member civil peace commission to be installed on the border between Nicaragua and Costa Rica. This was reported after the 2-day meeting of the foreign ministers of the Contadora and Support Groups at this beach resort 140 km east of Montevideo.

Ramirez Ocampo said that the peace commission will be made up of fewer than 100 civilians, and he added that in addition to the membership of the Contadora Group and its Support Group countries, the commission will need additional logistical support. He said that this support will be requested from most of the EEC member countries and from Canada, countries which have been offering their cooperation in this endeavor for a long time.

Brazil May Not Join Commission

PY282300 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2130 GMT 28 Feb 86

[Text] Punta del Este, 28 Feb (NA) -- According to sources here at the meeting of the foreign ministers of the Contadora Group and its Support Group, Brazil might not participate in the civil commission for observation, prevention, and inspection to pacify the Nicaraguan-Costa Rican border. The sources reported that the joint communique announcing the creation of this commission should have been released yesterday but was delayed until today because of the "hot discussion presented by the Brazilian delegation."

Finally, they reported, the Brazilian Government -- which is a member of the Contadora Support Group -- decided to sign the initiative but explained that "this does not mean that Brazil has specifically committed itself to participating in the peace commission."

"This issue will have to be studied by the Brazilian Government," the sources concluded.

Peru Volunteers for Force

PY010138 Madrid EFE in Spanish 2101 GMT 28 Feb 86

[Text] Punta del Este, 28 Feb (EFE) -- Peru today became the first country to volunteer to take part in a civil peacekeeping force on the border between Nicaragua and Costa Rica. Peruvian Foreign Minister Allan Wagner Tizon told reporters today that he had officially conveyed this decision to the Contadora Group after talking by telephone with President Alan Garcia.

"The civil force will be made up of observers and experts from the Contadora Group member countries and eventually from any Contadora Support Group member country that wishes to participate," Colombian Foreign Minister Augusto Ramirez Ocampo said.

Consalvi on Ortega Letter

PA010242 Madrid EFE in Spanish 0144 GMT 1 Mar 86

[Text] Punta del Este, 28 Feb (EFE) -- Venezuelan Foreign Minister Simon Alberto Consalvi has said that Nicaraguan President Daniel Ortega's letter to his Contadora Group and Support Group colleagues "will not change the course of the debates or the spirit of the document being prepared by the Contadora Group foreign ministers."

Consalvi, along with representatives from the rest of the Contadora countries (Mexico, Panama, and Colombia) and its Support Group (Argentina, Brazil, Peru, and Uruguay), are at this resort studying future diplomatic actions in search of a negotiated solution to the Central America crisis.

The Venezuelan foreign minister said that Commander Ortega's letter is addressed to the presidents of the eight countries, "and therefore those presidents will study it." According to newspaper sources, Ortega's letter reiterates Nicaragua's rejection of U.S. President Ronald Reagan's request to Congress for $100 million in aid for the anti-Sandinist contras and asks Contadora to adopt "urgent measures." The letter also states that the American attitude is an attack on the Contadora Group's peace-making efforts, the same sources said.

Caputo, Sepulveda on Talks

PY280318 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 28 Feb 86

[Interview with Argentine Foreign Minister Dante Caputo and Mexican Foreign Secretary Bernardo Sepulveda by an unidentified reporter in Punta del Este; date not given -- recorded]

[Excerpts] [Reporter] The foreign ministers of the Contadora Group are meeting here in La Posta del Cangrejo, Punta del Este, amid great expectations and extensive coverage by the international press.

[Caputo] I would like to emphasize that the opinions of the eight countries represented here at the meeting are unanimous. These countries represent more than 70 or 80 percent of Latin America. Their foreign ministers agree on the evaluation of the Latin American situation, the Central American situation in this case. They also agree on the concrete steps that should be taken.

In this regard, I would like to say that we all hope we can transform the steps taken today into specific actions, into concrete measures. This will be one of the issues included in the our declaration. I also believe that it is very important to point out that we have evaluated what has occurred in the last 3 weeks and the positions adopted by the countries involved in the Central American crisis or those with interests in the situation. A unanimous position was reached after the evaluation was made.

[Reporter] Can you say that the content of the Caraballeda message will be strengthened in the sense that a final solution to the Central American conflict will be reached?

[Caputo] Our goal is to sign the Central America Peace and Cooperation Act, and Caraballeda is one of the instruments we have chosen. Therefore, we are going to strengthen that instrument and the contents of the message in the Caraballeda pact.

[Reporter] It has been learned that two positions have prevailed during the meeting. One is related to the need for the U.S. Government to resume a direct dialogue with Managua. Is this one of the positions? Are you aware of this situation?

[Caputo] We have not addressed that issue.

[Reporter] The other position is to create some kind of collegiate body to help normalize Central America. Are you advocating this position?

[Caputo] It is not quite as you put it, but there is some of that, and this will be part of the message to be released this evening.

[Sepulveda] We have a great deal of confidence in the meeting, because we have the company of Uruguay, Argentina, Brazil, and Peru in this peace mission we are carrying out jointly with the Contadora Group members. We are optimistic, because we can perceive positive results in the actions we are carrying out, positive results in the creation of a Latin American awareness to achieve Latin American solutions and to prevent the deterioration of the Central American situation.

[Reporter] Will there be direct negotiations between Managua and Washington? Are efforts being made in that direction?

[Sepulveda] I do not know. We advocate that. As you can recall, the Manzanillo dialogue achieved real results, and we hope a dialogue will be resumed, because that is the path for normalizing relations between those two friendly countries.

[Reporter] Will a civilian democratic body be created to peacefully normalize Central America?

[Sepulveda] Any plan for understandings, conciliation, or ability for political commitment is welcome. [end recording]

CONSENSUS FOLLOW-UP COMMITTEE ISSUES COMMUNIQUE

PY010142 Buenos Aires TELAM in Spanish 0014 GMT 1 Mar 86

[Text] Punta del Este, 28 Feb (TELAM) -- The finance ministers of the follow-up committee of the Cartagena Consensus have for the first time publicly considered the possibility of making unilateral decisions on the foreign debt, which the countries of the region will reportedly support. In a communique released to the press upon conclusion of their meeting, the ministers pointed to the progress achieved after their meeting in Montevideo.

The communique states that the committee analyzed the impact of the steep oil price slump on the economies of the crude oil exporters of the region. The committee also analyzed the latest developments affecting the Latin American foreign debt, particularly persistently high interest rates and the steady reduction of the prices of the vast majority of products exported from the region.

The committee emphasized Latin American solidarity and stressed the fact that some countries have to take concrete measures in defense of their economy, particularly as it concerns the debt. The committee concluded that some countries have reached a point at which it is unpostponable to introduce substantial changes in the existing agreements, especially with regard to the interests, to make sure that the adjustment burden will be more equitably shared by debtors and creditors.

It was stated that this and other emergency measures which might be taken in keeping with the situation in each country and in accordance with each country's sovereign will be supported by the other signatories of the Cartagena Consensus.

The committee also decided that the Consensus members will stay in close contact to follow the evolution of the affected countries in the next few weeks and the progress that might be achieved in the search for solutions for mitigating the impact of the drop in those countries' export income.

Caputo on Meetings

PY030156 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 1 Mar 86

[Interview with Argentine Foreign Minister Dante Caputo by unidentified reporter in Punta del Este on 28 February -- recorded]

[Text] [Reporter] Now we have to tackle the debt problem, right?

[Caputo] Right. We are happy because we issued important resolutions during the Contadora Group meeting. Now we have to conclude the meeting on the foreign debt, which began yesterday.

[Reporter] Can we say that there will be a joint political strategy that will also include the debt issue?

[Caputo] No. There have been many distorted reports on this matter. Therefore, let me first explain why these two meetings have been held simultaneously. The last time we met in Venezuela to discuss the Central American sitaution, we issued the so-called Caraballeda Message and agreed that we would meet in Punta del Este on this date. In the meantime, as everyone knows, oil prices declined. Therefore, an emergency meeting was called, and we thought it would be natural to hold the two meetings at the same time. Thus, the fact that the two meetings are being held simultaneously has no special significance. However, both issues have something in common: our concern about peace and stability in the continent. The Central American crisis and the debt issue affect peace and stability. That is why we are concerned about those two issues. However, in no way does this mean that the two issues are interchangeable. Some idiot said that we will negotiate the reduction of the foreign debt in return for a change in Argentine foreign policy.... Well, this is a childish remark. There has also been other confusion that must be clarified.

[Reporter] Mr Minister, will Argentina become a member of the peace commission?

[Caputo] President Alfonsin will be consulted on the matter. We will give an answer when the Contadora Group invites us to join the commission. Argentina is very interested in what this commission will do and has always been willing to join the efforts to pacify the region.

[Reporter] Let us talk a little about Honduras, which is a focal point in the Central American crisis. What will happen with the contras who are in that country, in the wake of this new step toward peace in the region?

[Caputo] Well, I believe the Contadora Group and its Support Group have taken a decisive, practical step by creating the commission you mentioned. I have the impression that we are now putting into practice the measures aimed at preserving peace in the region. We are in an operational stage, and this is very important. Obviously, we hope all Central American countries will have the same political will that Costa Rica and Nicaragua have displayed. Our view about the situation you raised in your question were outlined in the Caraballeda Message.

We believe that all the countries having some interest in the region must undertake simultaneously a series of actions, like halting support for irregular forces. We reiterate that this condition, which is established in the Caraballeda Message, must be complied with. The support for insurrection should also be halted, foreign bases removed, and full democracy restored. In sum, we believe that all these problems which have generated tension in the region must be resolved simultaneously. That is why it is important to create an atmosphere of reciprocal confidence, if there is actually willingness to create reciprocal confidence. Political will is essential for achieving reciprocal confidence. Once the atmosphere of reciprocal confidence is achieved, we will be able to fulfill the Contadora Group proposals.

[Reporter] Mr Minister, some skeptical minds believed that this position is closer to Moscow than Washington.

[Caputo] I don't think this is a skeptical opinion but a distortion of the Latin American opinion. The only thing we want is to strengthen Latin America, be self-sufficient, and face our problems and show the world that we can solve them. Nothing would be as negative as attempting to distort the position of the Contadora Group and its Support Group with ideological arguments. I believe we have always put forward balanced proposals. Any responsible, impartial observer who analyzes the proposals by the Contadora Group and its Support Group will find no trace of ideological imbalance. We are above any ideological or strategic considerations. We are working for the preservation of peace, giving a Latin American solution to a Latin American problem. This is neither Moscow nor Washington; this is our Latin America.

[Reporter] Finally, Mr Minister, we know that the CGT [General Confederation of Labor] has submitted a document to the signatories of the Cartagena Consensus. Can you tell us, without reference to a particular country, the answer to be given to the document?

[Caputo] Look, everyone knows that the CGT has sent me a telegram formulating several opinions on the significance of the Central American crisis and the debt issue and proposing several measures. At the CGT request I passed the message on to my colleagues. The document was read and answered by Uruguayan Foreign Minister Enrique Iglesias, the temporary secretary. You know what his answer was. We believe it is very important that the CGT follow the Argentine Government initiatives within the Contadora Group and the Cartagena Consensus. We are pleased to see that several Argentine social sectors support and agree on this Argentine foreign policy issue.

[Reporter] Despite the fact that the CGT suggested a moratorium...?

[Caputo] The CGT wants a moratorium. You know what we think about that. The Cartagena Consensus has a very clear position that appears in all its documents. It is not only the position of the Argentine Government but of the 11 members of the consensus. We are not considering a moratorium. We simply want both sides to take action, recognizing the fact that both the North and the South are responsible for the debt problem. Even though the moratorium has always been ruled out, our position will be as strong as it should be to solve a problem that has jeopardized the stability of the entire region.

SOCIAL UNREST MAY PROMPT STATE OF SIEGE

PY281731 La Paz Cadena Panamericana in Spanish 1715 GMT 28 Feb 86

[Text] Social unrest is prevailing throughout the country. Civic stoppages and strikes plague various sectors. States of emergency are being declared, and departmental civic committees have been applying a variety of pressures. In view of all this, there is a rumor that a state of siege may be implemented in the country. Among other things, the decision of the Bolivian teachers to not begin the school year on 3 March may prompt the government to levy a state of siege. Panamericana has tried to make inquiries to find out for sure whether a state of siege will be imposed or not. One of the government offcials we questioned was Information Minister Herman Antelo, whose answer was brief and to the point: I know nothing about it.

[Begin Antelo recording] I have no information about any such decision. [end recording].

It would seem that the possibility of imposing a state of siege has not been ruled out. The widespread social unrest could compel Paz Estenssoro's administration to adopt measures similar to those implemented in September 1985.

MINISTER NOTES COCA REDUCTION PLAN PROBLEMS

PY011742 La Paz Cadena Panamericana in Spanish 1130 GMT 28 Feb 86

[Text] Bolivian Interior Minister Fernando Barthelemy has admitted that the plan to reduce coca plantations, which was implemented with U.S. assistance, has created social problems for the government. In 1985, Bolivia and the United Stated began a campaign to destroy 5,000 hectares of coca plant in the Chapare area, Cochabamba Department, a stronghold of the drug mafia. According to official reports, there are 100,000 hectares of coca plantations in Bolivia. Only 40 percent of the output is used for meeting the demand for coca leaves of traditional local consumers.

Barthelemy said his government believes that efforts should concentrate on the struggle against drug traffickers, because the destruction of the plant entails very serious social implications. According to the minister, another difficulty caused by the plan is the fact that the government cannot take drastic action to reduce coca plantations without damaging the Bolivian soil and plant life. It is not our intention to damage the peasants' lands, he said in reply to the demands by peasant unions, which have opposed the plan and which have threatened to resist it. The Bolivian Government is doing its best to repress drug trafficking, but it needs more foreign support, because it will be very difficult to solve this problem in the middle of an economic crisis, Barthelemy concluded.

GOVERNMENT DECIDES NOT TO BEGIN SCHOOL YEAR

PY011348 La Paz Cadena Panamericana in Spanish 1130 GMT 1 Mar 86

[Excerpts] Education and Culture Minister Enrique Ipina Melgar announced during a press conference the indefinite postponement of the initiation of the school year at the state schools. The minister has thus contradicted himself. At first he announced that classes would begin at the state schools on 3 March, and now he has announced this postponement. So this is the news: teaching will not begin on Monday, this time by government decision.

NEW WAGE, PRICE, CURRENCY, POLICIES ANNOUNCED

Sarney Speech

PY281430 Brasilia Domestic Service in Portuguese 1130 GMT 28 Feb 86

[Address to the nation by President Jose Sarney on 28 February to announce new economic measures from Planalto Palace in Brasilia -- live]

[Text] Brazilian men and women: I call upon all of you so that together, the government and the people, we can make a serious and difficult decision, one which will determine the fate of our society in coming years. I have been thinking about the timeliness of this decision for a long time. We have been evaluating the risks it poses and estimating its potential results. My conscience and my duty to my country have not allowed me to hesitate.

Politics requires courage, and statesmen cannot escape the force of destiny when the time comes to make major decisions. Thus, I have decided to make fundamental changes in the economy. We have exhausted all palliative measures and superficial treatments, and inscrutable fate has not made me president of the nation to fold my arms. My commitment is to Brazil and to history, and I must act accordingly. This commitment does not clash with my ethical duty to the parties of the Democratic Alliance [AD], because we share the same objectives.

Brazilians, the main economic decisions are the following: the creation of a new currency, the cruzado; to replace the cruzeiro at the rate of 1 cruzado to 1,000 cruzeiros; automatic conversion to cruzados of all banknotes, coins, and demand deposits in banks; deregulation of the economy; the establishment of a salary scale with an escalator clause; a total freeze on rates and utilities; creation of an inter-banking system; creation of unemployment insurance, which is an age-old and just aspiration of the workers; implementation of a profit guarantee on savings accounts; and the strengthening of our currency vis-a-vis other currencies.

These measures are not copied from any program that has been implemented by any other country. The peculiarities and conditions of our economy call for suitable solutions. I did not make this decision in haste. It was taken because of my confidence in my country. Brazil is growing, unemployment is declining, public finances are streamlined. However, these measures are needed to preserve these accomplishments from any risk.

In a speech I made to the nation I asserted that curbing inflation is a matter of honor for the government. We will make every necessary effort and, as I have stated, we will take all necessary decisions to prevent inflation from getting out of hand. The example of other countries shows what can happen to a nation when its leaders hesitate when fighting inflation. Inflation has always been society's worst enemy. It not only devalues salaries, it takes away bread. Therefore, this is a program designed to defend the salary-earner's purchasing power. If the current inflation rate continued to prevail, in only a few months, or even in a few days, it would neutralize the real salary adjustments and increases obtained by the workers with so much effort and sacrifice. The stabilization of prices, which the government will strongly control, will end this nightmare.

In order to show that the purpose, above all, is to safeguard salaries, I have decided to grant an across-the-board bonus to return to salary-earners their purchasing power, which has been diluted by price increases. I have also established an automatic readjustment for salaries in our new currency. Therefore, we have created a salary with an escalator clause, convinced that there will be monetary stability, but also so that the working class will be the first to be safeguarded at the slightest sign of any deterioration of the system.

Your savings continue to be safeguarded by the insurance against inflation. Leases and loans granted by the National Housing Bank [BNH] converted into the new currency will remain frozen for a period of 1 year.

The stabilization program with the new strong currency, the cruzado, will respect the terms of the contracts established in cruzeiros. In this way, the program respects each party's will and is neutral when regarding relationships between creditors and debtors. The freezing of prices is a transition toward stability. If, on one hand, we seek to stop the inflationary inertia and, on the other, we do not intend to stop the market dynamism and the growth of private enterprise, we will continue to grow, free of the inflationary illusion.

We are certain that the financial system, within this reliable atmosphere, will fulfill with greater efficiency its duty of funneling funds to our productive activities. Fellow countrymen, we are knocking down the wall of the inflation fortress. We will still be faced with habits learned a long time ago.

It is appropriate to recall that inflation and monetary correction are part of the life and habits of our new generations, who do not know economies other than this. These generations do not know a free economy in this situation. The path I have chosen is certainly not a path for the weak. Therefore, the government will not spare its efforts or its energies to achieve its objectives. Moreover, our firm position will not be sufficient if the people are lacking in courage. It was the people's courage that restored economic growth. It was the people's courage that assured the sovereign negotiation of our foreign debt. It is our people's courage that will defeat inflation. And that people's courage will be and is my own courage.

The New Republic has been installed between hope and fear: hope for liberty, for changes, for democracy and fear of the foreign tutelage over our economic policy, of the corrosive and iniquitous inflation, fear of recession, and fear of unemployment. We have restored democracy and recovered the economy. We have reinstated the workers to their jobs, and we have promoted the reestablishment of the purchasing power of salaries. We have regained our position of conducting our destiny with a dynamic and self-determined economy.

Brazil is now respected. The people and the government, together, have built this first stage in the work of national restoration. But of the fears only a single one remains. Single but insidious, cruel in its injustice, and ruthless with the unprotected: inflation has become public enemy number one. Today we are beginning an all-out war against inflation. The decision has been made. Now we need to implement it and overcome inflation. I believe this is the path.

With sadness I saw the purchasing power of the salaries paid in cruzeiros succumb under the National Treasury Readjustable Bonds [ORTN] system, under the payments to the National Housing Bank [BNH], under rental payments, and under debts.

But the success of this program is not based on a decree. I paved the road for this decision with much work. From the very beginning of this government, we have carefully followed the development of the economy, and we have established some alternatives. Everything was thoroughly and seriously studied. But this program must be a program of the Brazilian people. We must all be mobilized in this struggle.

Every Brazilian, man or woman, will be and will have to be a price inspector. And I am addressing you, each Brazilian man and woman, to appoint you as a presidential inspector for the faithful implementation of this program in every field, Beginning today, no one will be allowed to practice the industry of re-marking prices. Any business that re-marks prices may be closed, and those responsible may be sent to prison.

I appeal to the state governments to cooperate in waging this struggle. I call upon the Brazilian people to experience this great moment. This is not my program. It is Brazil's program. We are struggling for Brazil. The program's success will mean success for all of us.

His excellency, the finance minister, will now give you the details and the detailed provisions to be adopted. He will introduce the program, a program involving changes that are aimed at reaching stability and growth. I ask all ministers and congressmen to give us their resolute support. And may God, who has not failed me, help me at this moment. Thank you very much. [applause].

Finance Minister's Speech

PY281712 Brasilia Domestic Service in Portuguese 1149 GMT 28 Feb 86

[Address to the nation by Finance Minister Dilson Funaro on 28 February during a Cabinet meeting held at Planalto Palace in Brasilia -- live]

[Text] Mr President, Messrs Ministers:

His Excellency, President Jose Sarney, has just informed the nation about the government's irrevocable decision to promote an overall monetary reform. The New Republic inherited a country that for years had been undermined by recession and unemployment. It received an economy that was governed by a foreign debt that was under the tutelage of foreigners. Public finances were in a disastrous condition, and inflation was out of control.

In the first place, we had to recover Brazil's economic growth, reactivate employment, and bolster real salaries, which for several years had been undermined by a loss in purchasing power. It was necessary to shake the Brazilian economy from its lethargy and to shake its powerful forces. All Brazilians are aware that we have not failed in our struggle to promote development. It was necessary to remove the prospects of foreign interference that would dictate rules or pass judgment on Brazilian economic officials.

Without causing any traumatic experiences but with determination, we were able to rescue our capacity to decide and to choose alternatives in spite of skepticism, subservience, and fear. Of course, there were those who predicted that all of this would have a disastrous effect at the international level, because they believed that this balance would not be compatible with self-determination and economic growth. We answered them with a rapid increase in exports and the agreements we are achieving with international organizations.

We implemented a tax reform with the objective of achieving a better distribution of taxes, discouraging financial speculation, and avoiding the dangerous practice of inflationary financing. We cut expenditures yet granted priority to social expenses in order to begin to pay the debt that the country had accumulated over 20 years. The goal to achieve a balanced budget, which many thought impossible, was achieved.

It was necessary to arm ourselves to struggle against inflation. But without the prerequisites needed to achieve economic growth, such as the improvement in the standard of living, control of the public deficit, and regulation of supplies, it would have been a cruel social gesture to combat inflation, with a narrow-minded and vulgar economic concept.

Mr President, that is when we established the bases to launch this economic program which Your Excellency instructed us to draft. But we cannot tolerate a 15-percent inflation rate per month or overlook the damage it causes on those who have less. No one can ignore the serious effect of the present inflationary process, which is fueled by the regulation of the economy. To go blindfolded regarding the effects of galloping inflation would only result in recession, unemployment, and a decrease in the real salary.

To disregard the effects of recession and unemployment is at this time the same as saying no to inflation.

Brazilian inflation departed from its original casual factors developing its own momentum and force. The practice of monetary correction which was generally applied on all values contaminated the psychology of all economic agents, making the monetary value of the cruzeiro fall. Everyone began to calculate their investments on the basis of the value of the ORTN [National Treasury Readjustable Bonds] The cruzeiro was an increasingly weak currency used only to calculate the value of salaries.

The economic reforms instituted by this decree law begins by granting the same value to the currency in which salaries are paid as it does to that of the currency in which investments are calculated. This is what is called restoring the monetary standard. The trust on the stability of the new currency is shown in the fixed exchange rate between the cruzeiro and the dollar, thus showing that the government is certain about the exchange rate situation. As of today, 1,000 cruzeiros is equal to 1 cruzado; and 13.80 cruzados is equal to $1.00. All prices in cruzados are frozen as of today. The price freeze responds to the attempt to curb the inflationary mementum and aims at abolishing the continuous readjustments which resulted in keeping everything as it was and letting the general level of prices rise.

The government does not intend to perpetuate the freeze nor to prevent free competition but to restore the operating conditions of a healthy market capable of handling producers correctly. However, during the time the freeze will be in effect we, the government and the people, will be completely inflexible in demanding that prices be respected. There will be severe punishments for those who violate the freeze, because we cannot permit desertions in this war against that terrible enemy called inflation. Everyone must be alert concerning price supervision, because the program's success will depend on everyone's decision. We appeal to all Brazilian businessmen to once again prove the patriotism they have shown on so many occasions and to cooperate with the government in this decisive effort.

The economic reform is based on the principle that all contracts must be respected. Salary contracts will respect all previously established conditions, and the government guarantees that the effective salaries will be real salaries that safeguard their purchasing power.

The appeals made by President Jose Sarney, including a real increase in minimum wages and the clause for automatic readjustments, show that the main goal of the economic reform is to prevent the well-known erosion of salaries, which is caused by inflation. The social meaning of the change is evident. The same goes for quarterly readjustments on savings passbooks, conforming to the criteria established for payment of the mortgages to the BNH [National Housing Bank] operations and for rentals. All savings holders will have their rights safeguarded. They will continue having a quarterly insurance against inflation, commensurate with the monthly National Consumer Price Index [NPC] changes recorded over the period. The savings passbook real earnings will remain at current levels plus an interest rate of 6 percent per annum.

Payments on the BNH financial system will be made in the new currency, reflecting average real values over the past 6 months, and will be frozen for 1 year. The same procedure will have to be applied to rentals. Current payments on installment purchases of durable consumer goods, and on any other commitment in cruzeiros, such as short-term commercial or banking credits which are not indexed, will be converted into the new currency on their maturity date, according to the conversion table published by the government. Likewise, all commitments set in cruzeiros, payable on a deferred payment basis, will be converted using the conversion table.

Mr President, Brazilians are already aware of the terrible and noxious effects of inflation. Today we start a bold and consistent program that should enjoy the support of everyone: citizens, workers, businessmen, housewives.

Prosperity through price stability depends on all of us. We are opening a new era in this country. We will have to prove that democracy entails boldness, intelligence, and progress. We will have to prove that the Brazilian people will continue to make progress with the boldness of the strong and the tact of the prudent.

Repricing Causes Riots

PY282159 Paris AFP in Spanish 1951 GMT 28 Feb 86

[Text] Rio de Janeiro, 28 Feb (AFP) -- Several stores in downtown Rio de Janiero were destroyed by crowds annoyed at the shopkeepers' decision to reprice their merchandise while President Sarney was announcing the new economic measures intended to curb Brazil's inflation. The main stores affected were bars, small restaurants, and supermarkets whose owners, disobeying government orders, shamelessly shut their doors to reprice their goods. About 30 people were injured during the riots, and according to a police spokesman, the owner of a store that was attacked confessed that he had closed to raise prices. National Superintendency of Supplies [SUNAB] agents in Brasilia closed down one of the city's largest supermarkets, the Carrefour, when they verified that it was disobeying government orders. In other Brazilian cities, Federal Police department agents detained supermarket managers and employees who were not complying with government measures.

FARC, GOVERNMENT SIGN PEACE DOCUMENT 2 MARCH

PA030426 Bogota Television Service in Spanish 0300 GMT 3 Mar 86

[Text of peace document signed by the Peace, Dialogue, and Verification Commission members, and the Revolutionary Armed Forces of Colombia, FARC; People's Army, EP; Workers Self-Defense, ADO; and the National Liberation Army, ELN, Simon Bolivar Detachment and Antonio Narino Detachment at the Protocol Room in Narino Palace on 2 March 1986; read by Peace Commission President John Agudelo Rios -- live]

[Text] The Peace, Dialogue, and Verification Commission and the FARC-EP, convinced that the peace policy may lead to a satisfactory conclusion as hoped by the Colombian people, have decided to add to the Agreement of La Uribe, signed on 28 March 1984 and ratified in due time by President Belisario Betancur, the following additions and amendments that both parties believe will not only allow all to overcome the problems and obstacles which have arisen so far but also to quickly advance toward the achievement of a definite peace which ensures a national harmony.

1. The government and the FARC reasserts their loyalty to the Agreement of La Uribe, and their decision to continue working for a real peace -- as hoped for by all the citizens -- and which may be achieved despite the economic limitations of a developing country, as long as a continuous joint effort is exerted to create a more just social order.

Therefore, the FARC vehemently urges the government, congress, political parties, church, production and labor organizations, social communication media, and all the men and women of goodwill,to join efforts so that we may build a more democratic and economically just Colombia, with equal opportunity for all.

2. The FARC states its sincere willingness to continue developing the current peace process with the Colombian citizens who constitutionally preside over the next government.

3. The FARC will collaborate so that the upcoming electoral debates are carried out in an orderly and peaceful manner; thus all citizens, regardless to which political party or movement they belong, may state their free will at the ballot boxes without fear or physical, moral, or economic coercion.

4. The FARC reasserts that it rejects kidnapping and extortion, as stated at the Agreement of La Uribe and other documents. It also condemns kidnappings and death threats in any of their forms; drug trafficking; personal attacks; abduction of persons; torture; vigilante justice, regardless of which side is enforcing this; recruitment for military plans or military training; and the presence of its members carrying weapons or wearing uniforms that are exclusively used by the Armed Forces, in public meetings, inhabited places, or against defenseless citizens.

5. The parties signing this document urge all men and women of Colombia, regardless of their condition, to mobilize and struggle against terrorism regardless of its origin to defend the common good, public property, and peaceful coexistence in a homeland that belongs to all alike.

6. As it has been doing by engaging many of its men in political activities, FARC will step up the process of its members' joining political and social life and civilian and productive activities so that, within a reasonable time, its current members can fully participate in normal and institutional activities. For this, broad liberties and full, true guarantees are necessary for the exercise of its political activities.

7. According to the constitution and it's bylaws, the government will grant the Patriotic Unity and its leaders the indispensable guarantees and assurances so that they can carry out both the spreading of their message and their electoral activities, in a manner similar to the other political organizations. The government will bear all the weight of law on the citizens or the authorities who violate their rights, and deny, sidestep, or ignore the guarantees to which they are entitled. The government will also grant FARC the guarantees and liberties that it requires for its members to join political activities.

8. In a restrained way, FARC urges the spoken and written news media to handle the news that might affect public order in the most impartial, objective, and truest way possible to prevent common criminals and paramilitary groups from continuing to shield themselves behind guerrilla movements, particularly those of FARC, to commit all types of crimes and go undermining the peace process without retribution, as they have been doing.

9. FARC reiterates to the government its request for lifting the state of siege as soon as possible and for a guarantee of the ceasefire ordered by the president of the Republic on 28 May 1984 so the country can soon return to civilian normalcy. FARC also reiterates its request to determinedly combat some paramilitary groups that have taken over some areas in the country, to give the UP fairer treatment in the official communication media, and to convey to them the true facts in the peace process.

10. Workers Self-Defense, ADO, and the Simon Bolivar and Antoinio Narino detachments of the ELN that have also signed peace accords, identify with this document and sign it to reassert their willingness to continue to work for strengthening the peace process that seeks to restore democratic coexistence among Colombians.

11. The parties that sign this document add to and expand the La Uribe accord in the terms that have just been laid down, having in mind the nation's lofty interests and the need to strengthen peace as a means to guarantee, not only the country's continuity and democratic development, but the peace and security of all Colombians.

12. For this accord to be valid, it must be ratified by the president of the Republic.

Signed in Meta Department on 2 March 1986 by the committee for peace, dialogue and verification, FARC's central staff, ADO's political and military directorate, and ELN's Simon Bolivar and Antonio Narino detachments.

ARMED FORCES TO GUARANTEE FREE ELECTIONS

PA281655 Bogota EL SIGLO in Spanish 24 Feb 86 pp 1, 2

[By Eduardo Carrillo]

[Text] Despite the subversives' attempt to make the March and May legislative elections fail, the Armed Forces will guarantee free and peaceful elections.

Defense Minister General Miguel Francisco Vega Uribe defended the honesty and tradition of the Army and the police and asserted that, without exception, all his men will guarantee free and peaceful elections despite the actions of the enemies of peace and concord.

Vega Uribe also said that public order has been altered in some departments and that this has forced the Army and the police to take special measures. He directly charged the rebel groups with manipulating and "fingering" peasants to create conflicts and deteriorate public order, as they did in the case of the Yondo peasants who fled toward the oil port of Barrancabermeja. He added that the Armed Forces are in a position to confront threats by subversives, such as the merciless occupation of the Palace of Justice in November.

Talking to journalists in Bogota, Vega Uribe said that the electoral security plan "Democracy-86" is well underway and that the number of armed men has been increased in the areas where leftist guerrillas who diverted from the peace accords operate, as well as those organizations who have remained out of the pacification process in which President Belisario Betancur is engaged. Vega indicated: "Let it be clear that we of the Armed Forces guarantee that the country and all Colombians, without preferences or special consideration, will be able to cast their votes for their candidates." He added: "We are willing to combat crimes against the right to vote. We will make sure that all citizens can cast their votes without any pressure. This is freedom in democracy and this is why we operate as state security forces."

He explained that the democracy plan was initiated after touring the country and talking to mayors and governors about the pre-electoral situation in each zone. The defense minister also said that one of the aspects that the Armed Forces are trying to control is the armed proselytism that has been reported by leaders of the traditional parties, peasants, and other citizens. "We know that voters are being extorted so that they will vote for a specific candidate," he stressed. "That control is one of the tasks that we have drawn up. We are trying to prevent the practice of armed proselytism. We are making the necessary efforts so that the elections will be a true reflection of democracy in which the people will freely express themselves without coercion and without weapons. We are also working against vote buying, the theft of identification cards, and other crimes against the free exercise of suffrage."

He also referred to the grave problem of peasants from Yondo who stayed in dire conditions in the petroleum port of Barrancabermeja for 12 days. "The national Army does not harass the peasants. Professional agitators were undoubtedly pulling the strings in the exodus of peasants from the Middle Magdalena region to Barrancabermeja." He insisted that the peasants were incited to leave their land, something that should not have happened, and that they were kept under guard so that they would not speak with anyone, not even with the journalists."

"The National Army watches over the security, life, and honor of the peasant. The country is aware of the situation in the area of Yondo, Antioquia Department, where a petroleum company was the victim of extortion. The situation has been developing and when the National Army went to protect the personnel of that company and the peasants, the subversives killed several soldiers." "We are going to protect the petroleum company and the peasants whome they have been extorting. We are going to protect all the inhabitants of the region," he stressed.

SECURITY STEPPED UP AT JUSTICE MINISTRY

PA281818 Bogota Television Service in Spanish 0000 GMT 28 Feb 86

[Text] Security was increased today at the Justice Ministry building. This decision is the result of an attack against the building by a group of gunmen last night. Minister Parejo Gonzalez has received death threats from drug traffickers and extraditable individuals and his position in favour of the extradition of drug traffickers has been questioned by the Attorney General's Office.

UP PRESIDENTIAL CANDIDATE ON PARTY, GUERRILLAS

PA011435 Bogota EL TIEMPO in Spanish 23 Feb 86 pp 1-A, 8-A

[Interview with Jaime Pardo Leal, Patriotic Union (UP) presidential candidate, by EL TIEMPO reporters Patricia Lara and Roberto Pombo; date, place not given]

[Excerpts] EL TIEMPO: Are you a communist?

Pardo: I am an independent of the left and I deeply sympathize with the Communist Party (PC).

EL TIEMPO: What is the UP? Is it a civil movement or a guerrilla group?

Pardo: It is a broad, pluralistic movement. It is a budding political front through which various sectors concur: FARC, the PC, sectors of the ELN, and the ADO, labor organizations such as the CSTC Trade Union Confederation of Colombian Workers (CSTC), agrarian federations, the National Movement for Housing, some community actions committee, and also members of the Liberal and Conservative parties who have left their parties. However, it was definitely FARC that promoted the creation of the UP as a result of the agreements reached in La Uribe.

EL TIEMPO: What are the UP's political principles?

Pardo: To struggle for political access for a reform of the Constitution that will abolish the articles hindering the exercise of democracy. We must abolish the bipartisan system which is in control of the state's administration. The people should be consulted on the state's most important decisions through a referendum. An opposition statute is necessary for it to have equitable representation in the state administration. Congress should control and limit the implementation of the state of siege. Opposition political forces should have access to Congress through a national electoral participation.

EL TIEMPO: Reports have been received from Cajibo on the killing of peasants who have refused to join the UP or to collaborate with FARC.

Pardo: That is not true. No one has submitted any evidence to confirm FARC has committee such actions. FARC has been accused of almost everything bad that has taken place in this country. FARC has often been accused of things it has not done.

EL TIEMPO: There have been reports of kidnappings carried out by FARC...

Pardo: FARC has faithfully complied with the agreements reached in La Uribe which include an end to kidnappings. Since then, FARC has not participated in any kidnapping. Many of the kidnappings attributed to FARC have been carried out by common criminals.

EL TIEMPO: Shell [Oil Company] is going to abandon its installations because of FARC's threats to its officials. What do you have to say about this?

Pardo: Shell is trying to find a way to break its contracts with Colombia because the oil deposits are depleted and it is no longer profitable to exploit them. That is why it has invented the story of FARC extortion.

EL TIEMPO: Do you think an armed rebellion is justified in Colombia?

Pardo: At this moment it is indispensable to have a cease-fire. It has permitted dialogue and a legal and open participation in politics. That is why it is necessary to extend the truce not to suit the government but as necessary for the people.

EL TIEMPO: The government claims to have carried out the reforms established in the peace agreements and that FARC in turn agreed to give up the armed struggle. Is it going to do so?

Pardo: During the talks in La Uribe, agreements were reached on political access and cease-fire, but not on disarmament. This was not mentioned. However, is a document issued by the FARC General Command, I understand they are willing to deactivate their military apparatus if the political and social reforms are carried out. For instance, agrarian reform has not been carried out.

EL TIEMPO: Now that you have had an opportunity to meet your supporters, where do you feel your strength is?

Pardo: We are an indisputable majority in Meta and in the national territories. In electoral terms, we are going to win in Huila, Caqueta, and in Central Magdalena. We are also strong among the workers in the big cities.

PANAMA'S NOREIGA DENIES ARMS TRAFFICKING

PA282019 Bogota Television Service in Spanish 1730 GMT 28 Feb 86

[Text] The commander of the National Guard [as heard] of Panama, General Manuel Antonio Noriega, said today that controlling arms trafficking is practically an impossible task for Panama because it cannot assign one policeman for each ship crossing the Canal. The Armed Forces of Panama insist that due to international regulations on the Panama Canal, controlling arms trafficking is as difficult as trying to control narcotics trafficking. This statement was made today in Bogota by General Manuel Antonio Noriega when he arrived at the Catam military airport.

[Begin recording] [Noriega] We do not accept reports that there is arms trafficking from our country to Colombia, because we are friendly countries and therefore Panama does not have an aggressive or plotting attitude.

[Unidentified questioner] But what can be done to prevent it. How about the Iris, which was recently found with weapons in Panama and which left for Colombia? What do you know about this, and why was there not a specific explanation to this effect?

[Noriega] The explanation was given, and as you well know Panama is the center of the world, heart of the universe. We would need a special police force to check all ships of all flags of the world crossing the canal. We would need to prepare a sort of ambush in the canal in order to open the holds of all ships and find out if the weapons came from Panama or from another place. The system ruling the operations of the Panama Canal is not a system calling for search and inspection, because this would be very complicated, as the laws on neutrality do not allow the ships to be boarded unless there is an imminent threat to the Canal. [end recording]

BETANCUR MESSAGE ON DEATH OF SWEDEN'S PALME

PA021426 Paris AFP in Spanish 2009 GMT 1 Mar 86

[Excerpts] Bogota, 1 Mar (AFP) -- Colombian President Belisario Betancur today emphatically rejected international terrorism in lamenting the death of Swedish Prime Minister Olof Palme in a message sent to Swedish King Carl XVI Gustaf.

The message states: "It is with deep sorrow that I address your excellency today to present to you on behalf of the Colombian people, the government over which I preside, and myself, expressions of deepest condolence over the lamentable demise of His Excellency Olof Palme, prime minister of the Kingdom of Sweden.

"There was no fairness in the circumstances under which this great statesman died. He was an untiring defender of democratic institutions whose struggle was characterized by defense of the weak.

"The Central American people and the countries that with Colombia comprise the Contadora Group will always remember his as a bulwark of the peace efforts in this region. He always gave his unconditional attention and support to these efforts.

"He will also be remembered as the great promoter of true social democratic guidelines that proved to his nation and the world that it is possible to live in peace in the midst of so much international turmoil.

"Faced with events such as this, which bring mourning to the world and frighten it, we must unite around our great organization [not further identified] to fight this scourge of mankind, until it is exterminated, for the benefit of future generations."

BRIEFS

NEW PARTY -- A new party, the United People Movement for Peace [Movimiento Pueblo Unido por la Paz], which has already released lists of candidates for public office, has emerged. The party is headed by Efrain Benavides Munoz for the senate, Marco Aurelio Castano for the chamber, Hernan Perez Correa for the Assembly of Cundinamarca, and Segundo Velasco Fajardo for the Bogota Council. [Text] [Bogota EL TIEMPO in Spanish 24 Feb 86 p 6-A PA]

DEBATE CONTINUES ON U.S. AMBASSADOR'S ACTIVITIES

Taylor Says Meetings 'Innocent'

PY011252 Asuncion LA TARDE in Spanish 27 Feb 86 p 11

[Interview with U.S. Ambassador to Paraguay Clyde Taylor by unidentified reporter 26 February -- place not given]

[Text] U.S. Ambassador Clyde Taylor stated last night that the meetings he is holding in the country "are innocent" and that they do not represent interference in domestic affairs. He said his role is to know the country, and he criticized other ambassadors for not doing likewise to better conduct their diplomatic activity. "I ask how can they know the country if they do not do so," he said. He stressed that U.S. economic aid is not based on domestic political factors and that the only things the multinational banks try to avoid are those projects that can turn into "white elephants."

[Reporter] Mr Ambassador, what are your conclusions after the meetings you held with various political sectors? What will you do next?

[Taylor] I am paying innocent visits. I have met with the presidents of banks and associations, and with church representatives and I began visiting the interior. Next week I will go to Villarrica, where I will meet the executive branch representative, the mayor, and Army officials. I will also visit the APAL [Paraguayan Administration of Alcohol] distillery.

[Reporter] What issues have you emphasized in your meetings with political leaders?

[Taylor] At times they themselves raise the issues and we talk about Paraguayan affairs. At times they do not understand what we are trying to do and achieve there in Paraguay. I am still hearing distorted information about our intentions and our policy in Paraguay. We changed our economic assistance policy only after the Paraguayan per-capita income surpassed $1,000.

[Reporter] Mr Ambassador, is the U.S. economic assistance tied to domestic political factors?

[Taylor] I have said that everything we should be concerned about is included in the human rights report submitted to Congress. The IDB and the World Bank do not take this into account. They are more interested in whether a project will actually be productive. Aid is extended to those who need it most, provided their projects are not "white elephants" and provided they can be self-financed. These are the criteria of the multinational banks. Twenty to 50 percent of the loans that Paraguay receives from those banks comes from the United States. Soft loans represent the highest U.S. contributions.

[Reporter] You met with leaders of several sectors. What was the main issue discussed during those meetings?

[Taylor] That's a wrong approach. If I visit the president of the National Cement Industry it is because I am interested in his industry, his plans, the market, and his worries, not in politics. It is like a visit to the office of a newspaper: you should first see its facilities and then the end product. I must gather information. This is part of my mission. Like any other ambassador, I visit government officials, businessmen, and I still have a list of visits to pay.

[Reporter] What do you think of the contention that your actions amount to intervening in our domestic affairs?

[Taylor] I am very surprised at that, because it is a mysterious attitude. It is very natural that an ambassador visit the executive board of Petropar [Paraguayan Petroleum Company] or Corposana [Water and Sanitation Corporation] or a delegate. I would criticize my colleague ambassadors if they do not do the same. I wonder how they will get to know the country if they do not do this. If this is regarded as intervention in domestic affairs, well, I cannot change those opinions.

Minister Cites 'Interference'

PY011414 Asuncion Red Privada de Teledifusora Paraguay Television in Spanish 2300 GMT 28 Feb 86

[Impromptu press conference held by Interior Minister Sabino Montanare at the end of a State Council meeting held on the afternoon of 28 February at Government Palace -- recorded]

[Text] [Unidentified reporter] Has the Paraguayan Government already acknowledged the new Philippine administration?

[Montanaro] No, I do not believe there will be any problem in doing so because we are respectful of the domestic affairs of all countries, as our Constitution orders. Therefore we likewise do not allow anyone to interfere in our own domestic affairs, just as we do not interfere in the domestic affairs of other countries. This is our position.

[Reporter] Do you believe that the international noninterference is being complied with in our country?

[Montanaro] We are complying with this principle. There are others, however, who are very well known, who do not want to understand this principle, and who not only intend to interfere in our matters but also wish to set rules for other ambassadors as to how they must do their work. We believe that this is interference in our domestic affairs.

PATRIA Editorial

PY011626 Asuncion PATRIA in Spanish 28 Feb 86 p 7

[Editorial: "A Subtle Difference..."]

[Text] According to the independent media, the U.S. ambassador to Paraguay showed surprise that the contacts -- as he calls them -- he made with different sectors of society have been called interference in Paraguayan domestic affairs.

If the media reports are true, then they lead us to think that the ambassador may be somewhat narrow in his thinking. No one in his right mind would think of speaking or writing about interference when the representative of a friendly country meets with business, culture, production, handicrafts, science, or press representatives, or even with students and housewives, with the purpose -- using his words -- of learning about the country he is living in; how its people think and act; and more importantly, what are the problems about which his country can grant help, cooperation, solidarity or support, or provide solutions, or at least advice and recommendations.

Even in a much more sensitive field like our domestic policy, it is still perfectly justifiable and ethical -- and this does not violate any international convention -- that the ambassador would wish to "learn about the country" by observing from a different viewpoint, including that of the opposition.

Without irritating anyone, or causing distrust, he can hold meetings with the opposition representatives who have their own opinions, and have valid reasons for constituting a legal opposition. Thus, the ambassador may become informed, considering that this country, where he has been sent on a mission, is a democratic country where democratic expressions are evident wherever an observer looks.

Therefore, within this framework, there is no reason for anyone to become irritated, just as no one would become irritated in the United States if the Paraguayan ambassador to the United States -- accredited to President Reagan's Republican administration -- would make contacts with the Democratic opposition and gather information based on opinions which will naturally oppose those of the ruling party. Things would be different, however, if, in order to become informed about the United States, the Paraguayan ambassador would meet with the leadership of the Ku Klux Klan, or the Black Panthers or with the Puerto Rican separatists who once threw grenades in the U.S. Congress and who also destroyed a U.S. Government air base in Puerto Rico.

It is not our intention to insult our countrymen in the National Accord by comparing them with members of those organizations. It would be fairer to expect that their own consciences should make that comparison, but our comparison is apt, anyway. There is a slight difference between maintaining "contacts" with an opposition recognized by the Paraguayan Constitution and electoral laws, and with an outlawed "opposition," which exercises its opposition against the Paraguayan laws and Constitution. Considering these facts, we believe that, out of respect or diplomatic convenience, the Paraguayan ambassador to the United States could not give legal status to those whom U.S. laws consider to be marginals, if not enemies of the established order. Likewise, the U.S. representative to Paraguay cannot recognize as valid opposition groups those who are not recognized by the Paraguayan laws as such. One of the basic principles of diplomacy is reciprocal respect for the Constitution and laws.

Naturally, the U.S. ambassador comes from a democracy and he is acting within another one. If relations between the two democracies are to be strong, stable, permanent, and traditional, like our affiliation with the free world, temporary mistaken appraisals should not weaken them, as long as such mistakes, originating from an ingenuous view rather than bad faith, do not become systematic and introduce hostile criteria that would take away the brilliance and good sense from the diplomatic functions.

BRIEFS

ITAIPU SETS 2 TARIFFS -- The Paraguayan-Brazilian Hydroelectric Enterprise, Itaipu, has established two tariffs: one for Brazil and another for Paraguay. The Brazilian tariff will be $14.75 a kilowatt per year, i.e. $0.02245 a kilowatt per hour, while the Paraguayan tariffs are $14.06 and $0.0214. According to the 1986 budget, which totals $2.125 billion, $653 million will be used in direct investments; $48 million in operational expenses; $12 million to honor Annex C of the treaty [which pertains to the rates of payment of "royalties" to both parties], and $1.423 billion for the payment of debts and interest. [Summary] [Asuncion EL DIARIO in Spanish 26 Feb 86 p 9 PY]

ADDITION TO GARCIA COMMENTS ON IMF POLICIES

Insert the following paragraphs after paragraph one of the item headlined "Garcia Reaffirms Independence of IMF Policies" published on page J 1 of the 27 February Latin America DAILY REPORT.

[Begin recording] [Question] When will the IMF mission come to this country, Mr President?

[Garcia] Not right now, and I am sure that no mission will come. Regarding the IMF, our position is very clear. The IMF is an institution that was created to guarantee payments among countries, so its function has been to guarantee the payment of the debt of the poor countries to the rich countries.

In the second place, the IMF has been the intermediary institution between the poor and the rich, and it has established conditions on the domestic policy in order to grant new credits; that is, it has compelled the poor countries to make economic decisions on interest rates, devaluations, domestic salaries, and the costs of fuels and electricity as conditions for giving new loans. In this way, using the carrot of future loans, it compelled the poorest countries, particularly in Latin America, to follow the economic theories favored by the IMF. We do not agree with these theories, and we will not accept them.

In the third place, and still more serious, the IMF is an institution that has used one single currency from its beginning: the dollar. But at that time, 30 or 40 years ago, the dollar was tied to the gold standard. Now the dollar is no longer tied to the gold standard, and it is only the currency of the United States. But the IMF forces the world to use one single currency: the dollar. We do not agree with this either, because every country has the right to issue its own currency.

For these three reasons, namely, the IMF economic theory; the possibility of the IMF interfering in the economies of our countries by imposing conditions on us; and because it is the agent of one single world currency, we do not agree with the IMF. For this reason, we have announced that we will not negotiate with the IMF to obtain new credits, and that we will not negotiate with the IMF to deal with the banks we owe money.

The IMF is a typically imperialist institution in the world, and it routinely sends delegations and missions of researchers and economists to the poor countries. It enters the vaults of the Central Reserve Bank, examines the documents of all the ministries, talks with all the economic agents, indicates guidelines for the economic policy of the country, and sets these as conditions for obtaining new credits.

We will not ask anything of the IMF. Therefore, we do not need its mission here in this country. We do not need any delegation to interfere viceregally with the sovereign economy of Peru. Peru is a free and sovereign country, and Peru decides, through the will of its people, its economic objectives and its economic policy, and neither the IMF nor its delegation or mission will come to Peru to tell us how to behave. This would be to go back on a very clear proposition: on the subject of the debt and on the subject of economic policy, Peru makes sovereign decisions to which it will adhere. I am sure these decisions will serve as a pivot or stepping stone for other countries to make similar decisions, so that we can finish with the unjust economic order endured by the world.

COAST GUARD FRIGATE DETAINS TWO U.S. TRAWLERS

PA281323 Hamburg DPA in Spanish 1313 GMT 28 Feb 86

[Text] Caracas, 28 Feb (DPA) -- Two U.S. boats were detained by maritime guards for fishing illegally in Venezuelan territorial waters. The boats belong to the U.S. company Bright Eyes and were sighted by a frigate of the (Venezuelan) coast guard command that was patrolling the so-called "exclusive economic zone," some 50 miles south of Bird Island, a Venezuelan possession in the Caribbean Sea. The boats were engaged in fishing activities and were towed to the Navy port of La Guaira, the main Venezuelan port.

More on Detention

PA010211 Caracas Television Service in Spanish 0000 GMT 1 Mar 86

[Text] Today the two U.S. boats intercepted last Wednesday in Venezuelan territorial waters were transferred to the Navy docks in La Guaira. Venezuelan coast guard vessels were carrying out a routine patrol when they sighted the two boats. The crews of the boats were immediately detained so that they could explain their completely unauthorized presence in our territorial waters. The fishermen, all Americans, said that they were not aware of the fact that they were in Venezuelan waters. They said their presence was accidental because they were following a school of fish. Nevertheless, Navy authorities did not believe their statements because the two ships were equipped with highly sophisticated navigation and communication instruments.

[Begin unidentified speaker recording] The ships knew their position at all times because they are equipped with modern satellite-operated positioning instruments, and they knew they were violating our exclusive economic zone. [end recording]

The crew, although not detained because of stipulations in the new commercial fishing treaties, are on their boats because they have no passports to travel on Venezuelan soil. This can be explained by the fact they were fishing out of their base of operations in Puerto Rico.

In addition to the detention of the boats Eagle Eye and Islander, the coast guard found 3,500 kilos of fish stored on the boats. It is surmised that the catch was taken from our waters. The two boats will be placed under the custody of the Agricultural Ministry so that this office can apply the necessary sanctions or fines.

FOREIGN MINISTER COMMENTS ON CONTADORA SITUATION

PA280452 Caracas EL NACIONAL in Spanish 19 Feb 86 p D-2

[By Nestor Mora]

[Excerpts] Contadora has not yet been able to persuade the Central American countries that they must make their positions more flexible, Foreign Minister Simon Alberto Consalvi admitted yesterday. The question that opened the conversation was how he would describe, in regards to the peace process, the announcement made by President Reagan to the effect that he will insist on his request for aid from Congress for the "contras." This coming precisely the day after the Contadora and Support Group foreign ministers met with Shultz.

It is simply, the foreign minister answered, the persistence of the policy the United States has maintained regarding the peace process in Central America. I believe it simply demonstrates that the United States feels that its line is the only one it can follow.

Is this not a serious stumbling block for Contadora? It is another stumbling block among the ones that Contadora already faces. Is it the most important one? It is one of the stumbling blocks. If it were only a matter of one, it would be very easy to identify it; however, the obstacles that Contadora faces in its peace efforts are varied in nature.

According to press reports, we asked again, it seems as if the meeting of plenipotentiaries in Panama has again given the impression that the process is facing another deadlock. Is that so?

We have not yet persuaded the Central American countries that they must make their position more flexible, thereby allowing the process to progress. This demonstrates that the situation is very complex, and that the Contadora efforts are very difficult.

And the Central American countries' lack of flexibility is not due to the decisive influence of the U.S. Government? What do you think? With the foreign minister's return question and a boisterous laugh from the newsmen, we once again failed in the effort to find out what the Venezuelan Government really thinks about the Central American crisis, as well as its judgement of the pressures that the Reagan administration has been exerting to torpedo the solution which the Contadora Group has eagerly and patiently sought since its creation 3 years ago on a beautiful island in the Pacific Ocean which adorns itself with the Panamanian flag.

LUSINCHI OFFERS ARUBA'S EMAN AID FOR REFINERY

PA022026 Caracas EL UNIVERSAL in Spanish 20 Feb 86 p 1-1

[Excerpts] Venezuelan President Jaime Lusinchi met in his office at Miraflores Palace with Henny Eman, minister president of Aruba. During the meeting President Lusinchi offered Venezuela's help to reactivate the oil refinery in Aruba.

After the meeting Minister President Eman said: "President Lusinchi has told us that we will have all the necessary cooperation for the reactivation of the refinery from Venezuela."

[Question] How will Venezuela help?

[Eman] Well, naturally, Venezuela is very interested in selling oil. However, during the meeting we got the feeling that President Lusinchi really wants to help us.

[Question] Under what conditions?

[Eman] The technical details were not discussed at the meeting.

In conclusion Minister President Eman said that the amount needed to modernize the refinery is small compared to the amount of money handled by the oil industry.

[Question] How much money is needed?

[Eman] Between $250 and $400 million.

PRESIDENT VOWS DEFENSE OF SOVEREIGNTY

PA281711 Mexico City THE NEWS in English 26 Feb 86 p 1

[Text] President Miguel de la Madrid said Tuesday that Mexico will not bow to any outside forces attempting to limit the country's sovereignty despite the country's severe economic crisis.

"Mexico will not cede sovereignty or independence or identity no matter how grave the challenges of the circumstances may be," he said.

Speaking at a ceremony honoring Rafael de la Colina's 68 years of service to the country's Foreign Ministry, De la Madrid said the defense of the country's independence and right to self-determination is a "political and moral obligation."

"Faced with the severe economic crisis and interests that reaffirm our dedication to unity, our nationalism, our unrenounceable right to free determination, and our commitment to maintain and expand liberties and democracy...," the president said.

De la Madrid's remarks echoed those he made Friday in a major economic address.

On Tuesday, De la Madrid likened the present challenges facing Mexico's independence to those faced by President Benito Juarez, with the invasion of the combined French, English and Spanish, and to U.S. threats to President Lazaro Cardenas after his oil expropriation decree.

He expressed his confidence, however, that the country would overcome the challenges as it had in the past: "Today we face difficulties of the moment that are serious but transitory, no greater than those the country has known how to overcome with dignity and strength," the president said.

PRT, PMT TO MERGE WITH OTHER LEFT-WING GROUPS

FL280426 Mexico City NOTIMEX in Spanish 0250 GMT 28 Feb 86

[Excerpt] Mexico City, 27 Feb (NOTIMEX) -- The Revolutionary Workers' Party [PRT] and the Mexican Workers' Party [PMT] will merge with other left-wing organizations to create a mass revolutionary party and constitute a political organization with greater impact. This has been announced in a press conference held by PMT Deputy Heberto Castillo and PRT Deputy Pedro Penaloza, who indicated that the merge will be a legislative strategy taking into account the situation the country is going through at the present time.

NEW, DAILY OIL PRICE POLICY ESTABLISHED

PA281454 Mexico City XEW Television Network in Spanish 1300 GMT 28 Feb 86

[Excerpt] As of tomorrow, Mexico will enforce a new, daily system of establishing prices for its oil. This new system is based on an analysis of the bids for the crude oil competing with Mexican prices, for example, learning the competitors' prices and analyzing them so that prices can be established on a daily basis, in order to be more competitive.

Mexico is trying to cope adequately with the price war and to defend the market for Mexican oil. In the midst of the uncertainty that has been prevailing in the oil market among the countries that depend on oil, there was good news yesterday. Israel will maintain its purchases of Mexican oil, and the current contract will remain in force without any changes. Israel might also increase its purchases of crude oil. Currently it purchases an average of 50,000 barrels daily.

Israel To Maintain Purchases

FL281452 Mexico City NOTIMEX in Spanish 0312 GMT 28 Feb 86

[Text] Mexico City, 27 Feb (NOTIMEX) -- During a visit to Pemex, Israeli oil and Embassy officials said the Israeli Government proposed today to maintain its oil purchases from Mexico and expressed interest in increasing bilateral trade. Itan Raff, Arie Levy, and Camin Juilbao, directors of one of Israel's principal oil businesses and director of the Israeli Energy Institute, respetively, met with Pemex Director Mario Ramon Beteta.

The visitors stressed their interest in Mexico's continuing to be Israel's principle provider of crude oil, as it has been over the last few years. At the same time, they requested increased trade between the two countries as Israel would be able to purchase more Mexican crude oil despite the ups and downs of the international oil market.

During the meeting, Beteta gave instructions to study jointly with the Israeli officials the possibility of Pemex increasing purchases of Israeli oil machinery and equipment. Beteta and the Israeli officials discussed the difficult situation of the international oil market, falling oil prices, and Mexico's economic crisis.

SOVIET ENVOY ON AID TO DEVELOPING COUNTRIES

FL260247 Mexico City NOTIMEX in Spanish 2155 GMT 25 Feb 86

[Excerpt] Mexico City, 25 Feb, (NOTIMEX) -- Today Soviet Ambassador to Mexico Rostisav Sergeyev asserted that his country will reinforce its economic support to developing countries and will create new industries in Mexico. The Soviet diplomat indicated that this policy will be announced at the 27th CPSU Congress which began in the USSR today.

He added that during the congress, a preferential treatment for Mexico regarding financial matters will be announced as well as aid for poor nations to support development.

U.S. EXPLANATIONS ON DAVIS SATISFY GOVERNMENT

PA281555 Panama City Televisora Nacional in Spanish 0000 GMT 28 Feb 86

[Text] Panamanian Foreign Minister Jorge Abadia has stated that the Panamanian Government feels satisfied with the clarification issued by the U.S. State Department regarding the case of Ambassador Arthur Davis.

[Begin Abadia recording] On the instructions of the executive, yesterday we traveled to Washington to personally present a complaint to the U.S. State Department and its highest official, Secretary of State George Shultz. A communique was issued today in which the U.S. Government expressed its opinion following the meeting that I held with Secretary Shultz yesterday. These explanations are broad and sufficient and they truly satisfy the Panamanian Government. [end recording]

REAGAN GRENADA VISIT LINKED TO NICARAGUA POLICY

PA282138 Panama City LA REPUBLICA in Spanish 27 Feb 86 p 4

["Today" column by Demetrio Olacireguis: "Reagan in Grenada"]

[Excerpt] The almost 6 hours that Ronald Reagan spent on the Caribbean island of Grenada provided him with an excellent rostrum to promote his campaign for the U.S. Congress to grant $70 million in military aid to the seditious Nicaraguan counter-revolutionaries and another $30 million in so-called humanitarian aid.

With the crisis in Haiti, the loss of the elections in Costa Rica, the removal of Colonel Sigfrido Ochoa, one of his key men in the Salvadoran war who is now in a diplomatic post in Washington, and the dismissal of General Walter Lopez from the Honduran Army Command, President Ronald Reagan has to show the strength of his warmongering policy in Nicaragua. That is why he has sent new warships armed with missiles to the Central American coast and is seeking military aid for the contras for an amount almost twice as much as the entire Honduran Army budget in 1986. The signal is clear, even though Harry Shlaudemann says that his country "is not planning to invade Nicaragua, because that is not its style."

DELVALLE SADDENED BY PALME DEATH

PA021741 Panama City ACAN in Spanish 0103 GMT 2 Mar 86

[Text] Panama City, 1 Mar (ACAN-EFE) -- President Eric Arturo Delvalle stated today that the death of Olof Palme is a "sensitive loss that affects the people of the world who permanently worship peace." The Panamanian president sent a condolence message to King Carl XVI Gustaf on the death of the prime minister of Sweden, who was shot to death last night when he was leaving a Stockholm theater. Delvalle states in his telegram: "The prime minister of Sweden was a citizen of the world and an untiring defender of everlasting principles." The president's message also notes: "The guiding image that his life and his struggle have bequeathed to world; nations, which know that they are facing the danger of ultimate destruction, will also be everlasting." President Delvalle affirmed that Palme belonged "in spirit," to the Contadora Group composed of Panama, Mexico, Colombia, and Venezuela, a group that has been searching for a peaceful solution to the Central America crisis since 1983.

COSTA RICA

GUTIERREZ 'CAUTIOUS' ON BORDER COMMISSION IDEA

PA020348 Panama City ACAN in Spanish 2025 GMT 1 Mar 86

[By Juan Ramon Rojas]

[Text] San Jose, 1 Mar (ACAN-EFE) -- The foreign minister seemed "cautious" today concerning the creation of a commission to supervise the border with Nicaragua, as agreed yesterday by the Contadora Group, but said that he likes the idea in principle. "I still remember that we created a commission in 1984 (to supervise the border), but we did not think about all the equipment and facilities necessary for its operation, so the effort failed," Gutierrez recalled.

The border between Costa Rica and Nicaragua is one of the most conflict-ridden points in Central America, because the anti-Sandinist guerrillas of the Democratic Revolutionary Alliance (ARDE), which are led by Eden Pastora, move throughout the region.

The foreign minister said: As long as the commission does not have all the necessary resources, "I believe that we should not trust it to work or feel happy that it has been created;" however, he thanked his Contadora and Support Group counterparts for the efforts exerted on the issue.

The Contadora (Mexico, Panama, Colombia, and Venezuela) and Support Group (Peru, Brazil, Uruguay, and Argentina) foreign ministers held a 2-day meeting at the Uruguayan beach resort of Punta del Este, and stated their will to create the supervisory commission requested by Costa Rica approximately 1 month ago.

Following a normalization of diplomatic relations with Nicaragua by mid-February, after their mutual relations were frozen for approximately 8 months, Costa Rican President Luis Alberto Monge asked Contadora to create a commission for supervising the border area.

A Costa Rican-Nicaraguan diplomatic delegation and the Contadora Group deputy foreign ministers met on 24 February in Managua to begin talks with the intention of creating this instrument, which will prevent new incidents at the two Central American countries' common border -- the site of actions which reduced their diplomatic relations to a minimum last year.

The incident that most affected the relations between Costa Rica and Nicaragua was an ambush in the region of Las Crucitas, approximately 800 meters from the border line, where on 31 May two Costa Rican Rural Police members were killed and nine others were wounded by the Sandinist soldiers' fire.

The next meeting between Costa Rican and Nicaraguan representatives, under the auspices of the Contadora Group, will be held next 12 March in this capital to continue with the talks.

The Contadora and Support Group foreign ministers state in the Punta del Este declaration that "this commission represents clear evidence of the progress achieved" in the negotiations to attain peace in the Central American region "and it will undoubtedly be attained through Latin America's consensus and unity."

Calls U.S. Relations 'Cordial'

PA282315 San Jose Radio Reloj in Spanish 1830 GMT 28 Feb 86

[Text] Foreign Minister Carlos Jose Gutierrez has stated that relations between Costa Rica and the United States are as cordial as they ever have been. Gutierrez was denying reports of friction with the Reagan administration over the statement by President-elect Oscar Arias on U.S. aid to the anti-Sandinist rebels. Foreign Minister Gutierrez had this to say on the matter:

[Begin recording] I think these reports are totally unfounded. Yesterday, during a visit to the U.S. battleship Iowa, I talked about this with the U.S. charge d'affaires, James Tull [title as heard]. He told me that these reports were completely unfounded. I feel that his statement was so categorical that it showed that the reports are unfounded. [end recording]

In addition, the foreign minister talked about the appointment of Rodrigo Madrigal Nieto, who will take over as foreign minister on 8 May. Gutierrez said that he was aware of Madrigal Nieto's great abilities and added:

[Begin recording] I think the highest of Madrigal Nieto, his intelligence, background, and experience on international affairs. He cooperated with the Monge administration on a number of activities related to this field. I am sure that he has all the qualities and abilities to fulfill his duties as foreign minister well. [end recording]

Foreign Minister Gutierrez said he was prepared to meet as often as needed with his successor. The most important thing is that the transition of power be smooth, and I will provide all my cooperation to that end, Gutierrez said. He added: I recognize that there may be changes in Costa Rica's foreign policy resulting from the change in personnel in these diplomatic posts.

ARIAS REFUTES REPORTS OF U.S. REPRISALS

PA282206 San Jose Radio Reloj in Spanish 0100 GMT 28 Feb 86

[Text] Commenting on reports released by the press yesterday to the effect that the United States would delay a loan to Costa Rica because of recent statements by President-elect Dr Oscar Arias Sanchez opposing the aid offered by President Reagan to the Nicaraguan counterrevolution, Arias Sanchez said that no one can believe that a Reagan administration official would take reprisals against Costa Rica. Arias Sanchez stressed that those reports have been refuted; nevertheless, no one could imagine that the United States would take reprisals over disagreements that could arise today or tomorrow. Likewise, the president-elect pointed out that his statements against U.S. aid to the Nicaraguan counterrevolutionaries are not criticism of Reagan's government; on the contrary, it is a stance consistent with his political campaign statements, in which he repeatedly emphasized that the solutions to the Central American conflict must be political and negotiated, and never military, as he noted this morning.

Editorial Criticizes Arias

PA020426 San Jose LA PRENSA LIBRE in Spanish 22 Feb 86 p 10

[Editorial: "Arias Wrong About Nicaraguans"]

[Excerpt] When writing yesterday's editorial, we did not know about the president-elect's interview on the U.S. "One on One" program.

Had we known about even the portion we now know about, without doubt, our concern would be even greater regarding the result of an eventual meeting of Central American presidents in May.

We are not aware of an incongruent side in Mr Oscar Arias' personality and that is why we are inclined to think that the president-elect was the victim of an extremely agile-minded interviewer who put him between the devil and the deep blue sea in the fashionable campaign against democracy that affects even the best members of Socialist International.

This is a crucial moment for President Reagan's internal policy. In his determined attempt to seek support for Nicaraguan democrats, Reagan faces the opposition of some of his country's people. It has been an ardous task to make them aware of the danger of a Communist regime on the mainland of the American continent, so close to the United States.

Costa Rica faces an equal or greater threat from Nicaragua. However, it happens that Mr Oscar Arias, now already president-elect, expressed his unconformity toward economic aid for Nicaraguan rebels. He said that such aid creates "a more dictatorial and totalitarian government in Nicaragua" which is only used as an excuse by the Sandinists to repress even more liberties, prevent further opening of society and a possible negotiation with them.

However, Mr Oscar Arias stressed the need for a democratic government in Nicaragua instead of the current Sandinist dictatorship, which he believes has no more than 12 or 15 percent of popular support. He added that a return to democracy will not be achieved by the rebels, but rather will come about "through pressure exerted by all of Latin America."

We cannot imagine how the "pressure" of all of Latin America can be exerted. Nicaragua, which is supported by and depends on Soviet imperialism, will not be shaken up because the Latin American presidents, some of whom are quite out of focus, cease to have contact with it. Mr Oscar Arias himself justifies U.S. aid when "it is used as a form of pressure to lead the Sandinists to a dialogue." The problem is almost one of a difference in perceptions rather than one of being excessively subjective.

CENTRAL BANK ANNOUNCES NEW DEVALUATION

PA012123 San Jose Radio Reloj in Spanish 1200 GMT 28 Feb 86

[Text] The colon has suffered another 50 cent devaluation against the dollar on the international free market. The new exchange rate was adopted during a Central Bank directorate meeting on Wednesday night. The new sale price is 54.70 colones to the dollar, and the purchase price is 53.95 colones to the dollar. This indicates that the Central Bank will have a 75 cent profit for the difference between the sale and purchase prices.

EL SALVADOR

UNTS CRITICIZES GOVERNMENT CAMPAIGN ON FMLN LINKS

PA281935 San Salvador EL MUNDO in Spanish 26 Feb 86 p 3

[Excerpt] The National Union of Salvadoran Workers' UNTS, has said that the Jose Napoleon Duarte government will be responsible for any attempt on the physical integrity of its leaders as a result of a biased campaign that seeks to create confusion and to link the UNTS with the FMLN.

In a press conference, the leaders of the UNTS blamed the Culture and Communications Ministry for this campaign. Jose Aristides Mendoza called it the ministry of no culture and no communication that seeks to intimidate the workers so that they will withdraw from the UNTS. They want us to bear the burden, but our people already know those tactics, the secretary general of the Democratic Popular Unity, UPD, said.

He also said that instead of responding with a repressive and psychological campaign, the government should listen to the clamor of the working class, peasants, and people in general and repeal the economic measures that do not have any support. He added that the UNTS is waiting for a reply from President Duarte to the letter that it sent with a number of proposals that can be discussed.

Mendoza said that it is true that they were called a few times with regard to the economic package, but it was not to discuss it but to accept it.

He also criticized the campaign that has been unanimously rejected by the UNTS leadership. He said that it is an insult to the thousands of peasants who arrived from all areas of the country to peacefully express their rejection of those measures. The government cannot call them communists, he said.

For his part, Marco Tulio Lima, president of the Confederation of Cooperative Associations, COAC, rejected the links that the government claims the movement has. He said that the movement is growing in an unexpected manner in the defense of union interests. He added that the movement does not have a political character.

Lima insisted the UNTS maintains that the objective of the economic package is not the reactivattion of the country as the government claims but the worsening of the war.

FMLN Denies Influencing UNTS

PA280431 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 27 Feb 86

[Text] Attention, pay close attention. Regarding the television spot the regime is broadcasting to accuse the National Union of Salvadoran Workers, UNTS, of having ties to FMLN, we clarify:

1. In our broadcasts, we have carried a communique by the UNTS. We have strictly adhered to the text and the responsible signature of said communique.

2. It is totally false that we attached the signature of the FMLN, at the end of the UNTS communique, or included an appeal to join our ranks as the Ministry of Culture and Communications has stated on television.

3. In the above-mentioned television spot the Ministry of Culture and Communications has made a film with images and recordings of Radio Venceremos to distort the way we broadcast the UNTS communique.

4. The objective of this propagandistic distortion and manipulation is to create false arguments to justify persecuting and repressing leaders of worker's organizations.

5. Radio Venceremos will continue to broadcast all communiques by workers', peasants', and human rights organizations inasmuch as these express the Salvadoran people's unyielding commitment to struggle.

VENCEREMOS SAYS U.S. TRAINING 'REPRESSIVE FORCES'

PA010338 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 28 Feb 86

[Text] U.S. military advisers have initiated a training program for the repressive forces in the country, at a cost of $5 million. One need only recall what the repressive forces in the country have been and continue to be, to foresee the sad consequences that this training will bring, mainly regarding respect for human rights.

The police in our country, that is to say, the National Police, National Guard, and Treasury Police, have played a bloody role throughout our history, basically, a counter-insurgent and repressive role. The machetes of the Treasury Police and National Guard have cut thousands of Salvadorans to pieces, especially in the countryside. Guards and policemen have shed the blood of students, laborers, teachers, men, and women during attacks on San Salvador in countless brutal massacres.

If the crimes committed by the repressive forces have been countless and brutal when they operate in uniform, what can we say of these savages when they operate in the disguise of the so-called death squads? The repressive forces are the brilliant inventors of the hood [la capucha] and other indescribable forms of punishment and torture. The repressive forces' headquarters have served as tombs for thousands of patriots.

These criminals of the repressive forces will be trained by the U.S. advisers. The Americans say they will give them technology, they will give them improved and modern equipment. Knowing what the U.S. police force is, and knowing the job the U.S. military advisers do -- making criminals of young Salvadorans recruited by force -- it is not difficult conclude that this technical upgrading [tecnificacion] of the repressive forces will result in more Salvadorans tortured, more Salvadorans murdered, and more Salvadorans missing.

Not very long ago two National Guards who participated in a triple murder at the Sheraton Hotel in April 1981 were sentenced. However, do not believe that the fact that the government sentenced two criminals reflects progress within the Duarte regime regarding the administration of justice. The masterminds of the crime are still free. The trial was a show staged precisely so that the $5 million in training for the repressive forces would be approved in the United States.

There is an increasing need for millions to purchase arms for more criminals. The regime shows signs of opening the cases of the American nuns murdered in the latter part of 1980 and the case or Msgr Romero. This is so that Reagan, over there in the United States, can complete formalities and approve those millions. This time two policemen, two criminals, were sentenced so that the Americans can provide funds and send advisers to train the 10,000 or 12,000 criminals that form the repressive forces.

The training of these criminals by the Reagan administration is proof of the fact that the United States is determined to go against the Salvadoran people, waging war against the peasants, teachers, students, and the workers of our country. What then must our people do? The people must increase their levels of organization, the people must join the clandestine militia, and the local guerrillas. The people must increase sabotage actions against the war economy, topple pylon after pylon until the repressive forces go berserk. The people must repay the Yankees with sabotage for the $5 million.

GUATEMALA

MINISTER REMOVES 23 PRODUCTS FROM PRICE CONTROLS

PA011439 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 28 Feb 86

[Excerpts] This afternoon the Economy Ministry revealed a list of products in various forms that will be freed from ceiling prices; that is, they are now free from the system that controls such prices. This was reported by Economy Minister Lizardo Sosa Lopez.

A total of 23 products in 295 forms are involved; 26 products with a total of 169 forms remain under the ceiling price system. The economy minister reiterated his conviction that the release of these products will not affect lower-income citizens.

Economic authorities will ensure strict control and that needed investigations are carried out and legally-established sanctions applied, the economy minister promised today. Decree Law 1-85, the Consumer Protection Law, will continue in force. Its enforcement will prevent unreasonable price increases and illegal increases in prices fixed by the government; it will also prevent more problems for consumers that could result from the purchase of articles at prices not officially permitted, he added.

GAM PROTESTS GEN LOBOS' AMBASSADORIAL APPOINTMENT

PA022127 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 1 Mar 86

[Text] The Mutual Support Group [GAM] today stated its disagreement with the government's decision to appoint former General Rodolfo Lobos Zamora to the post of Guatemalan ambassador to Panama. The GAM leaders held a demonstration today in front of the presidential palace and criticized the decision, saying that the former military officer is one of the persons reportedly involved in the events that have been denounced by the GAM.

HONDURAS

DISCUSSIONS ON BORDER DISPUTE WITH EL SALVADOR

PA281850 San Pedro Sula LA PRENSA in Spanish 27 Feb 86 p 3

[Text] Representatives of Honduras and El Salvador will meet today to continue negotiating to produce a joint appeal to be presented to The Hague International Court of Justice, to resolve their border problem.

The delegations will be headed by Deputy Foreign Ministers Guillermo Caceres Pineda and Ricardo Acevedo Peralta.

Other participants will be Abel Salazar, director of border affairs of the Salvadoran Foreign Ministry, Colonel Mauricio Vides Casanova, and other officials.

Others participants for the Honduran side are Mario Carias Zapata, who heads the Territorial Studies Commission, and advisers Jorge Ramon Hernandez, Pedro Pineda Madrid, and Gerardo Martinez Blanco.

According to reports, this meeting could last until tomorrow.

Foreign Minister on Talks

PA281404 San Pedro Sula TIEMPO in Spanish 27 Feb 86 p 3

[Text] Tegucigalpa -- Foreign Minister Carlos Lopez Contreras yesterday said that he does not see the possibility of finding a negotiated solution to the border problem with El Salvador soon.

The foreign minister said that in Mexico he had a meeting with representatives of the Salvadoran Government and that this meeting was not secret but "private, which corresponds to modern diplomacy for this type of situation."

He said that during that meeting he discussed the subject of negotiating and signing an agreement for a joint Honduran-Salvadoran appearance at The Hague International Court of Justice to resolve the border problem, "and I believe we made important advances in this regard. I think that very soon we will have a signed document."

The minister was asked if there is a possibility of reaching a direct partial agreement with El Salvador. He answered: "There is no constitutional or international law keeping states from finding negotiated solutions, but I see such a solution remote and, therefore, the official position of the government is to conclude the preparatory steps to go to the International Court of Justice."

Lopez Contreras said he does not believe the Salvadorans can win in The Hague. "I believe," he noted, "that it is important to have a realistic position. The very fact that we are going to an international court of justice to resolve a territorial or border problem makes it evident that there is uncertainty as to what the limits of both states are."

He said that the U.S. decision to give more economic aid to the Nicaraguan contras "is a matter that has to do with the sovereignty of the United States."

"The Honduran Government is not authorizing aid or an influx of assistance to armed opposition groups in Nicaragua," he said.

LEGISLATOR DEMANDS CONTRAS WITHDRAW FROM COUNTRY

PA011644 Buenos Aires REUTER in Spanish 0014 GMT 1 Mar 86

[Excerpt] Tegucigalpa, 28 Feb (REUTER) -- The president of the Honduran Congress today demanded that the anti-Sandinist guerrillas leave his country in what became the first official concession that the estimated 12,000 insurgents who are trying to overthrow Managua's leftist government have bases in the country.

"Those rebels should be in Nicaraguan territory fighting the Sandinists," Carlos Montoya told reporters.

Montoya, who is a member of the ruling Liberal Party, said that the rebels are based in camps established in Honduras from which they launch attacks across the border on targets located in Nicaragua.

The government has always denied the presence of these rebels in Honduras but Montoya's criticism was interpreted as reflecting the opinion of President Jose Azcona Hoyo.

Montoya is one of the president's closest political advisers.

Montoya made these remarks when reporters asked him about the rebels' activities after it was reported that coffee growers are complaining that the guerrillas are making the coffee harvest in El Paraiso Department, the country's second largest coffee region, impossible.

COMMISSION MEMBER ON 'YELLOW RAIN' INVESTIGATION

PA281528 San Pedro Sula TIEMPO in Spanish 27 Feb 86 p 9

[Text] Tegucigalpa -- The commission that will investigate the U.S. "experiments with chemical weapons" in Honduras will not visit U.S. military bases in the national territory to request information on this issue on the assumption that they will say the same thing the U.S. Embassy has said.

This was stated by Deputy Alfredo Landaverde, a member of the commission. Landaverde said that the commission will visit the Public Health Secretariat and Public Health Secretary Ruben Villedas. It will also visit the towns affected by the "yellow rain."

The politician, who would not comment on the results the congressional commission could secure, said that "we are advancing in our talks with public health officials because public health professionals can establish whether or not there has been an intoxication."

Landaverde was asked by TIEMPO if the commission would visit U.S. bases such Palmerola, where the U.S. planes are, and he answered: "What for? They have already officially stated that they have nothing to do with this."

"They would tell us the same thing," Landaverde noted. He said that the members of the commission "want to avoid rambling all over the place and getting traveling expense money."

The politician -- who opposed the motion in favor of investigating this matter -- said that after many consultations, the only conclusion that the deputies commission will reach will be that a specail commission has to be created.

In spite of this attitude, Landaverde has said that the commission will visit the area of Pimienta to talk with the peasants and other people affected by the yellow rain.

He said that prior to this, the commission will visit the air fumigation companies that operate from the Ramon Villeda Morales Airport and that service transnational fruit companies as well as local companies that operate in the area.

NICARAGUA

ORTEGA LETTER TO GORBACHEV ON CPSU CONGRESS

PA282338 Managua BARRICADA in Spanish 28 Feb 86 p 1

[Letter sent by President Daniel Ortega to Soviet President Mikhail Gorbachev on occasion of the 27th CPSU Congress]

[Text] Managua, 27 Feb 1986 -- "25 years later, all weapons against aggression!"

To His Excellency Companero Mikhail Gorbachev, general secretary of the CPSU, Moscow

Dear Companero Gorbachev:

On occasion of the 27th CPSU Congress, I wish to convey the greetings of the FSLN and the Nicaraguan Government and people to you.

The 27th CPSU Congress shows the progress made by the Soviet state, which under the leadership of V.I. Lenin, began its historical march at the beginning of the current century.

All humanity learned about the sacrifice of the Soviet people in facing and defeating the Hitler hordes.

The material cooperation granted by the USSR to different peoples and states of the world has been generous.

The political and moral support maintained by the USSR to freedom causes such as the Sandinist cause, which today unjustly suffers the warmongering attacks of the state terrorism policy of the current North American administration, has also been consistent.

The Nicaraguan people are sure that the cause of universal peace and the specific efforts made by the Soviet people, promoted through the CPSU and its government, such as the recent peace initiatives of 15 January, will continue until they defeat the policies that threaten to destroy all humanity.

On occasion of this 27th CPSU Congress, we reiterate our fraternal greetings, dear Companero Gorbachev, and extend them to the militants of the CPSU and to the heroic Soviet people. Companero Bayardo Arce, head of the FSLN delegation to such a great event, bears this message.

Fraternally yours, Daniel Ortega Saavedra

ORTEGA CONDOLENCE MESSAGE ON PALME DEATH

PA010436 Managua Domestic Service in Spanish 0400 GMT 1 Mar 86

[Message sent by President Daniel Ortega Saavedra to Ingvar Carlsson, Swedish deputy prime minister, and to Lisbeth Palme -- read by Manuel Espinoza, minister director of information and press of the presidency of the Republic -- live or recorded]

[Text] With deep consternation and sorrow, the Nicaraguan people and Government have learned of the assassination of our dear friend, Swedish Prime Minister Olof Palme.

Companero Palme won the esteem and love of our people, who will always remember his visit to Nicaragua in February 1983.

We recall today, and will always remember, the strong solidarity he personally as well as in his capacity as head of the Swedish Social Democratic Labor Party and Swedish prime minister, (?maintained) toward Nicaragua.

The Nicaraguan nation can give testimony to the bravery and consistency with which Olof Palme defended the principles of solidarity and fraternity among peoples. On numerous occasions, he reasserted Sweden's cooperation with and understanding toward the Sandinist process. With [words indistinct] Companero Palme maintained his faith in the goals of the people's Sandinist revolution, defending our people's right to self-determination, independence, and insisting, with equal tenacity, on [the need for] a negotiated solution to the crisis in Central America and respectful relations between the United States and Nicaragua.

As an expression of his love for the Nicaraguan cause, Palme recalled his (?stay in) Nicaragua on the occasion of President Daniel Ortega's visit to Stockholm on 17 May 1985. We got to know a country which, under the threatening shadows projected by the policy of a big power, is struggling to defend its independence and the inviolability of its borders. We got to know a people who, despite the [words indistinct], is tenaciously working to build a better society [words indistinct].

The grief that today afflicts the Swedish people is shared not only by Nicaragua, but all the countries of the world, who have lost a leader at a time when the international situation more than ever requires safe actions in the struggle for peace, independence, and justice.

The Nicaraguan Government, in response to this great loss, has decreed a 3-day national mourning period, in honor of Olof Palme's memory.

Fraternally,

[Signed] Daniel Ortega Saavedra

'Warmongering Forces' Blamed

PA010405 Panama City ACAN in Spanish 0311 GMT 1 Mar 86

[Excerpt] Managua, 28 Feb (ACAN-EFE) -- Radio Sandino, official voice of the FSLN, today blamed "warmongering forces" for the assassination of Swedish Prime Minister Olof Palme.

Radio Sandino Director Alberto Reyes accused "the dark forces and the warmongers" of assassinating the great leader of the Swedish Social Democratic Party, but did not identify them.

Olof Palme, 59, was assassinated by a middle-aged man who fired at the politician on Friday night as he left a movie theater in downtown Stockholm with his wife.

Radio Sandino momentarily suspended its evening programs to announce what it labeled as "the regrettable death of a great friend of the Sandinist revolution."

Reyes said that he met the Swedish politician, who spoke English, French, and German fluently, when he visited Nicaragua in 1983.

When the news of the death of the Swedish leader was broadcast, the director of Radio Sandino did not specify who was the murderer but said, "We know already who were the ones [quienes] who murdered him."

ORTEGA INVITES PERU'S GARICA FOR VISIT

PA010437 Managua Radio Sandino in Spanish 0000 GMT 1 Mar 86

[Text] President Daniel Ortega Saavedra has sent a letter to his Peruvian colleague inviting him to visit our country. The Peruvian head of state has accepted the invitation. Commander of the Revolution Tomas Borge Martinez, interior minister, carried the letter. He met with President Garica last night and discussed the Central American crisis and bilateral issues.

Responding to reporters after the meeting, Commander Borge said that he did not request military support from the Peruvian Government and that the initiative of that country to establish the Support Group to help the Contafora Group is the most substantial aid given to Nicaragua.

The Sandinist leader reiterated that he thanked President Alan Garcia for his statement that an aggression against Nicaraguan would constitute an aggression against all of Latin America.

BORGE VISITS LIMA, CONDEMNS U.S INTERVENTION

PY012250 Lima Television Peruana in Spahish 0000 GMT 1 Mar 86

[Ceremony at Lima City Hall and subsequent press conference by Interior Minister Tomas Borge; date not given -- recorded]

[Excerpts] At 1308, Commander Tomas Borge, interior minister of the Central American Republic of Nicaragua, enters Lima's City Hall, accompanied by Lima Mayor Alfonso Barrantes Lingan, who will declare Borge a guest of honor of the city. Commander Borge and Mayor Barrantes are now entering. [applause]

[Begin Barrantes recording] This morning, by declaring Tomas Borge a guest of honor, we wish to confirm our unconditional support of the Sandinist revolution, and we wish to publicly say that we are happy that the central government also unconditionally supports the Nicaraguan cause. [applause] [end recording]

The Lima mayor hands over the (?document) declaring Commander Tomas Borge a guest of honor. [applause]

[Begin recording] [Borge] In the meetings we have had with President Alan Garica, with [words indistinct] today with reporters and numerous friends who represent the political parties of the country, we have tried to explain the situation in Nicaragua, the drama of Central America.

[Words Indistinct] that the Peruvian people know the truth and the lies, because the international news agencies are careful to report throughout the world the most [word indistinct] lies regarding the situation in Nicaragua. According to U.S. propaganda, we are totalitarians, satellites of the Soviet Union, drug traffickers, bandits, persecutors of religion, (?suppressors) of civil liberties, and the continent's most dangerous bandits. Pinochet is the Archangel Michael in comparison to us. [laughter and applause]

[First unidentified reporter] It is said that Nicaragua is an open door for Cuban and Soviet infiltration into the American continent.

[Borge] Yes, it is a statement which, more than anything else, is in bad taste, if it deserves any qualification at all. We are not an open door for anyone, or rather, we are a completely open door for all the peoples of Latin America.

[Reporter] What is the current Nicaraguan situation regarding the United States?

[Borge] We are the victims of a counterrevolutionary aggression that has claimed thousands of dead, tens of thousands of victims, children and youths mutilated in the war. We are a nation attacked by a foreign power, a small nation attacked by a big power.

Undoubtedly, there is a real, substantiated possibility of direct intervention. It is not just a threat. Reagan has usually done what he says he will do, and if he has not been able to step up his intervention it is because he has met obstacles at the international as well as domestic level. Most of the people of the United States do not agree with intervention, and they have no doubt whatsoever that the Latin American peoples would unanimously oppose such a criminal intervention. In any case, we are making an effort to prevent the incervention, but if the intervention takes place, we are prepared.

Some time ago, we believed that it was possible to defeat the intervention politically, but under the present circumstances we even believe that it is possible to defeat the U.S. intervention militarily. In addition, 300,000 rifles, distributed all over the country, will become invaluable weapons to face U.S. intervention.

I say this because Mr Reagan recently wanted to draw certain parallels between Grenada and Nicaragua, and there is no possible similitarity between the [words indistinct] Grenada, between that little island in the middle of the sea, which has no more inhabitants that a city district of Managua and is no bigger that Ometepe Island in Lake Nicaragua. More important than geographical size or the number of inhabitants were the internal disputes. The (?leaders) of that revolution were assassinated by the Grenadian revolutionaries themselves, so the Yankees boast of having defeated the Grenadian revolution, which was already dead. Nicaragua, on the other hand, has more territory and a population of three million, and the country is full of mountain ranges and rivers. We know the territory, and we have experience in armed struggle. We are united around our principles, and all the Nicaraguan people support the revolution. If Mr Reagan [words indistinct] under triumphal arches in Nicaragua he is in for a great surprise, because the coffins of U.S. soldiers will parade on the streets of New York and San Francisco if they [words indistinct] our sovereignty and territory.

[Reporter] How does Nicaragua view the support, expressed on this occasion by the Lima mayor and the president? Is this support as essential to your struggle as oxygen is to life?

[Borge] What we need is support, and we are supported by all the peoples, particularly in Latin America. The solidarity expressed by the Peruvian people has a very great importance for us.

[Second unidentified reporter] [Question indistinct]

[Borge] The Catholic Church does not oppose the Sandinist regime. We have a few disagreements with a Nicaraguan bishop who is a prominent person and, therefore, greatly exploited by publicity. We have excellent relations with almost all the bishops in the country.

[Reporter] In Nicaragua there is no freedom of the press. What is your opinion about...

[Borge, interrupting] There are limitations established in the Emergency Law because of the war going on in Nicaragua, that is, as I have said before, in Nicaragua there is a counterrevolutionary army that has more manpower, firepower, and technical capability than the former Somozist National Guard. We used to struggle against the National Guard, and now we are fighting an army much stronger than the National Guard was, an army that represents the interests of the United States, that is, we are, in fact, at war with the United States. This has led to the need to introduce a few exceptional measures which do not imply a martial law or state of siege, but they do imply control of information on defense and security measures, which is what any country does when it is at war.

[Reporter] Is there any suspension of the circulation of the Nicaraguan daily LA PRENSA?

[Borge] The daily LA PRENSA has sometimes decided not to print for various reasons, usually when some prominent foreign official arrives. Then it decides not to print so that it can be said that we do not permit it to appear. In any case, honestly speaking, there is in fact a preliminary censorship of its reporting. There is, of course, another type of censorship not exercised by us, but by the daily LA PRENSA itself. For example, a rally is held with 500,000 people to celebrate the fact that Nicaragua has been admitted to the UN Security Council, and LA PRENSA does not publish a single word. We gathered almost 1 million people, or 600,000 people, on 19 July, and LA PRENSA reports this among the classified ads. So there is a censorship by us regarding the defense and security of the country, and a self-censorship that goes further and hides the daily events occurring in Nicaragua. The latter is done by LA PRENSA, not by us. [end recording]

CARDINAL OBANDO Y BRAVO WILL NOT GREET VIA CRUCIS

PA010049 Managua LA PRENSA in Spanish 26 Feb 86 p 6

[Text] The stations of the cross headed by Foreign Minister Miguel D'Escoto against U.S. intervention will not be greeted in Managua by Cardinal Miguel Obando y Bravo, "by a via crucis of the popular church."

That is what Monsignor Bosco Vivas, auxiliary bishop of Managua archdiocese, told reporters when consulted about Foreign Minister Miguel D'Escoto's hope that he will be greeted by his eminence in his upcoming entrance into Managua.

The Sandinist priest began a via crucis for peace on the first lent Friday in Jalapa; the via crucis will end in the next few days in Managua. He is in Ciudad Dario now.

In Esteli, D'Escoto's via crucis was supported by the bishop of the diocese of that department; namely, Monsignor Ruben Lopez Ardon, who spoke to the participants.

On that occasion, D'Escoto said through Sandinist newspapers, that he expects to be greeted in Matagalpa by the bishop of that place and in Managua by Cardinal Miguel Obando y Bravo in the same way he was greeted by Msgr Lopez Ardon.

UNO'S ROBELO TO STOP FIGHTING WITHOUT AID

PA010206 San Jose Radio Reloj in Spanish 0100 GMT 1 Mar 86

[Text] Managua -- Nicaraguan rebels struggling to receive greater U.S. aid said today that they would stop fighting against the Sandinist Government if the U.S. Congress rejects the $100 million aid requested by President Ronald Reagan. The possibilities of a victory against the Nicaragua Government would be very slim if the U.S. aid is not approved, contra leader Alfonso Robelo said through clandestine rebel Radio 15 September.

BRIEFS

NEW INTERIOR OFFICIAL -- Deputy Commander Raul Cordon Morice has been appointed international public relations director of the Interior Ministry. [Excerpt] [Managua EL NUEVO DIARIO in Spanish 24 Feb 86 p 4 D PA]

CASTRO, GORBACHEV MEET, DISCUSS RELATIONS

PA030047 Havana International Service in Spanish 2300 GMT 2 Mar 86

[Text] Cuban President Fidel Castro has met with CPSU General Secretary Mikhail Gorbachev in Moscow to analyze topics concerning the international situation and other matters of interest. Castro praised highly the work carried out so far during the CPSU's Congress and pointed out that the main report and new program state ideas that are important at the national level and also reveal the perspectives of socialism as a social regime and world system. Castro also noted the agreements adopted by the Cuban Communists during their third congress and the island's economic and social development plans.

In addition, Gorbachev reasserted his government's unrestricted support for Cuba's efforts to guarantee its security in light of threats from the United States. He also expressed his satisfaction with the successful development of Cuban-Soviet cooperation in all sectors.

Castro Meets Dos Santos

PA021854 Havana International Service in Spanish 2300 GMT 27 Feb 86

[Text] Fidel Castro, first secretary of the Communist Party of Cuba, has met in Moscow with Jose Eduardo dos Santos, chairman of the Popular Liberation Movement of Angola-Party of Labor, with whom he discussed matters of interest for both political organizations and their nations. The top leaders of Cuba and Angola are in Moscow to attend the 27th CPSU Congress, which began on Tuesday.

Meets With Mengistu, Jallud

FL280335 Havana Radio Reloj Network in Spanish 0310 GMT 28 Feb 86

[Text] Commander in Chief Fidel Castro met tonight in Moscow with Mengistu Haile-Mariam, Central Committee secretary general of the Workers' Party and chairman of the Provisional Military Administrative Council of Socialist Ethopia. Both leaders are heading their countries' delegations to the 27th CPSU Congress, which began on 25 February.

Our party first secretary and president of the Councils of State and Ministers also met with the delegation headed by Cherif Messaadia, Politburo member of Algeria's National Liberation Front with whom he held a friendly talk.

Fidel also met with 'Abd al-Salam Jallud, member of the general secretariat of the socialist People's Libyan Arab Jamahiriyah, with whom he talked extensively.

CASTRO EXPRESSES CONDOLENCES OVER PALME DEATH

PA030121 Havana International Service in Spanish 2300 GMT 2 Mar 86

[Text] Cuban President Fidel Castro has expressed his deepest condolences over the murder of Swedish Prime Minister Olof Palme in Stockholm describing him as firm defender of peace and nations' rights to their independence.

Castro asserted in a message to Swedish Deputy Prime Minister Ingvar Carlsson that the death of Palme, a great friend of Cuba, will be felt deeply at the international level, given his positions concerning the main problems of our times.

GRANMA Laments Death

PA012020 Havana International Service in Spanish 1600 GMT 1 Mar 86

[Text] "Cuba Has Lost a Friend;" this is how the Cuban daily GRANMA headlined an article on the assassination in Stockholm of Swedish Prime Minister Olof Palme. The newspaper carries on its front page a picture of the assassinated chief of government and information on the crime.

The paper recalls that since the days of the Yankee aggression against the Vietnamese people, Olof Palme has been a critic of Washington's warmongering and predatory policy. GRANMA notes that Palme said on more than one occasion that neither terror, torture, nor endless repression can shatter the people's desire to be free and that he, in line with this position, condemned the Augusto Pinochet regime and supported the Sandinist people's revolution.

GRANMA reports that Olof Palme demonstrated his friendship with Cuba in important ways. The newspaper recalls that Sweden never joined the economic blockade against our country, thus honoring his policy in favor of a new international economic order and achieving peace. With the death of Olof Palme, GRANMA concludes, Cuba has lost a friend.

MALMIERCA MEETS BULGARIAN DEPUTY FOREIGN MINISTER

FL281830 Havana Radio Periodico del Aire in Spanish 1700 GMT 28 Feb 86

[Excerpt] Isidoro Malmierca, Central Committee member and minister of foreign relations, has received Mariya Simeonova Zakharieva, member of the Central Committee of the Bulgarian Communist Party and deputy minister of foreign affairs, who is in Cuba at the invitation of the Ministry of Foreign Relations.

Cooperation Protocol Signed

FL010203 Havana Television Service in Spanish 0100 GMT 1 Mar 86

[Text] A cooperation protocol in the areas of culture, education, and sciences for the years 1986-1990 has been signed between Cuba and Bulgaria in Havana. Jose Raul Viera, foreign first vice minister, and Mariya Zakharieva, Central Committee member of the Bulgarian Communist Party and deputy foreign minister, signed the document.

The protocol includes exchange of books, cultural activities in both countries, and cooperation in radio and television. Bulgaria will also grant scholarships to Cubans to study specialities necessary for out development, mainly in the agricultural and livestock areas.

PRC TRADE DELEGATION VISITS, SIGNS PROTOCOL

FL011340 Havana Radio Progreso Network in Spanish 1200 GMT 1 Mar 86

[Text] In Havana, Acting Minister of Foreign Trade German Amado-Blanco has received a PRC trade delegation headed by Wang Pinqing, vice minister of foreign economic relations and trade, with whom he discussed matters of mutual interest. The officials signed payment agreements for the present 5-year period, the 1986 trade protocol, and other documents.

SOVIET SHIP ARRIVES WITH RICE, EQUIPMENT

FL282325 Havana Radio Reloj Network in Spanish 1925 GMT 28 Feb 86

[Text] Coinciding with the 27th CPSU Congress, the Soviet ship (Serov) has arrived at the Santiago de Cuba port with part of the Soviet donation to our country after damages caused by Hurricane Kate. Santiago de Cuba port authorities reported that the ship is carrying about 11,100 tons of rice and 237 [as heard] of various equipment for enterprises of the Cuban state.

Because of Santiago de Cuba bay depth problems, the (Serov) has not been able to dock, and unloading will begin with a floating crane and barges until the cargo can be unloaded closer to the dock. Those participating in this work at the port are under pressure because a commitment was made to unload the goods in record time so they can arrive at the domestic economy warehouses as soon as possible.

NONALIGNED MOVEMENT MEDICAL EXPERTS END MEETING

FL280356 Havana Radio Reloj Network in Spanish 0308 GMT 28 Feb 86

[Text] The third medical experts meeting of Nonaligned Movement countries and other developing countries ended in Havana today. A final document was released at the plenum with the results of discussions of the mid-range program for technical cooperation among Nonaligned Movement developing countries. Attending the event, which began at the Palace of Conventions on 24 February, were representatives of 26 countries from Europe, Asia, Africa, and Latin America, and from the World Health Organization and the Pan-American Health Organization.

During the closing session, experts stated that country members are facing serious problems in achieving the health objectives for all by the year 2000 because they are seriously affected by the growing economic crisis and their huge foreign debts.

BRIEFS

AMBASSADOR TO BOTSWANA -- The Cuban Council of State has appointed Comrade Alfonso Herrera Perdomo extraordinary and plenipotentiary ambassador to the Republic of Botswana. He will be residing in Lusaka, Zambia, where he has similar responsibilities. [Text] [Havana Television Service in Spanish 1200 GMT 28 Feb 86 FL]

JORGE SENDS CONDOLENCES ON PALME DEATH

PA012333 Paris AFP in Spanish 1827 GMT 1 Mar 86

[Text] Santo Domingo, 1 Mar 9AFP) -- The assassination last night of Swedish Prime Minister Olof Palme has brought about great dismay within the government and its Dominican Revolutionary Party (PRD, Social Democratic). President Salvador Jorge Blanco expressed great surprise and sorrow over Palme's death. He was scheduled to visit Palme during his upcoming trip to Europe in April. Jorge Blanco sent a condolence telegram to the Swedish Government and confirmed that an official Dominican mission will attend the leader's funeral; that mission will probably be headed by Socialist International Vice President Jose Francisco Pena Gomez. Pena Gomez, the main PRD leader and Palme's personal friend, said that the death of the Swedish prime minister constitutes "one of the most sensitive losses to the international Social Democratic movement, of which he was a very important figure." Pena Gomez recalled that Palme was a great friend of the Dominican people throughout his entire political life; he was a man who contributed to the political development of this country and helped its Social Democracy.

NICARAGUAN INTELLIGENCE CHIEF REPORTEDLY VISITED

PA271436 Paris AFP in Spanish 0420 GMT 27 Feb 86

[Text] Santo Domingo, 26 Feb (AFP) -- A local evening newspaper reported today that Diego Hugo Meneses Martinez, chief of the Nicaraguan intelligence services, made a visit several weeks ago to the Dominican Republic, but this was not officially announced.

ULTIMA HORA reports that Meneses Martinez arrived in the country in a "practically secret way" and established here "various contacts of a personal nature." The paper bases its information on "confidential sources" in the Dominican security services. According to these sources, Meneses Martinez reportedly came to the country without official protocol to invite several political leaders to a meeting that will take place in Managua in the near future to analyze the Central America and Caribbean situation.

BALAGUER REFUTES CHARGES OF PLANNED MURDERS

PA021659 Paris AFP in Spanish 1958 GMT 1 Mar 86

[Text] Santo Domingo, 1 Mar (AFP) -- Former Dominican President Joaquin Balaguer, leader of the Reformist Party (rightist, Social Christian), emphatically denied that members of his organization are attempting to kill three known Dominican journalists as charged by the government yesterday. Balaguer, one of the strongest candidates aspiring for office in the upcoming May elections, described the charges made yesterday by Dominican Attorney General Americo Espinal Hued as "crazy." Espinal Hued mentioned journalists Radhames Gomez Pepin, Miguel Guerrero, and Melvin Manon, as the possible victims of a criminal plot. After studying the charge, Balaguer said that it was "groundless," and has asked the attorney general to provide the names of the people who are allegedly responsible for this criminal plot. Gomez Pepin is deputy director of the evening newspaper EL NACIONAL. Gomez Pepin writes a column for this newspaper and frequently criticizes the Reformist Party. Meanwhile, Manon and Guerrero write editorials for EL CARIBE, a morning newspaper. In their editorials they attack the government.

GRENADA

BLAIZE ABOLISHES INCOME, 16 OTHER TAXES

FL282214 Bridgetown CANA in English 2055 GMT 28 Feb 86

[By George Worme]

[Text] St Georges, Grenada, Feb 28, CANA -- Prime Minister Herbert Blaize today abolished personal income tax in a EC236.4 million dollar (one EC dollar; 37 cents U.S.) free enterprise budget aimed, he said, at making Grenada the island of opportunities. In a just over three-hour presentation to parliament, Blaize also announced the guillotining of 16 other forms of taxation, including hotel occupancy tax, consumption and excise duties, and a levy imposed on salaries by the former Marxist government to help finance construction of the completed Point Saline International Airport.

In their place he introduced four new revenue measures -- a value added tax, a land value tax, a company tax, and a petrol tax. They joined three others -- a common external tariff, a foreign exchange tax and a motor vehicle tax -- retained by the government to make up the island's new tax regime. The budget is EC13.5 million dollars below last years. It is made up of a recurrent expenditure of EC126 million dollars and a capital expenditure of EC110.4 million dollars.

Blaize, who holds the finance portfolio, said his administration decided to reform the tax system because it was stifling economic growth. The move was long called for by the business sector. With a whole new tax structure in place, Grenada is poised to launch into an era of unprecedented growth and opportunities for its youths, its workers, its farmers, its traders, and its investors because the stage is set for the spice island to become the island of opportunities, he said.

Blaize, who promised further tax relief as the economy expands, forecast that national output, as measured by the gross domestic product, would grow by between four and five per cent this year. Under the new value added tax, business places will be required to pay 20 per cent of the value of everything they sell to government. Exempted are processed foods, medical services and other unspecified basic goods and services.

The new modified land value tax is designed to encourage productive use of land. It enforces a two per cent tax on all residential, commercial, industrial, agricultural, and vacant land in excess of 15,000 dollars.

Blaize said provision would be made to prevent the tax from becoming a burden on farmers after natural disasters, and on the elderly whose land holding might not be worth enough to enable them to pay the tax. Land in urban and rural areas, and land which is not fully exploited will be encouraged to move into more productive use, he said.

Giving a breakdown of the capital budget, Blaize said 29 million dollars would be spent on roads, 1.6 million dollars on water, 3.8 million dollars on electricity, 12.8 million dollars on the airport, 14.5 million dollars on agriculture and feeder roads, 7.1 million dollars on telephone services, 1.6 million dollars on tourism and 14.4 million dollars on health. Blaize said that the new petrol tax was projected to yield a million dollars and that an estimated 21.8 million dollars would be collected from import duties.

This budget is a clarion call to the people of this country to utilize their potential to the fullest extent possible for the spiritual, economic and social upliftment of Grenada, Blaize said. Faced with such a tremendous incentive to productive effort, our people can be expected to attain even higher levels of productivity and efficiency, thus serving to promote the state of Grenada, Carriacou and Petit Martinique as a land of glorious opportunity sought after by all particularly investors and holiday-makers. Debate on the budget including the reply of opposition leader Marcel Peters, has been postponed to a date to be announced, due to the late delivery of copies of the financial estimates to members of parliament.

BLAIZE TO DEDUCT PAY FOR SICK-OUT DESPITE PROTEST

FL281650 Bonaire Trans World Radio in English 1130 GMT 28 Feb 86

[Text] In Grenada, Prime Minister Herbert Blaize says he is ignoring union protests and will go ahead with plans to deduct a day's pay from civil servants who reported sick on Monday. The sick-out was to protest the government's wage policies.

Union Threatens Strike

FL011420 Bonaire Trans World Radio in English 1130 GMT 1 Mar 86

[Text] In Grenada, a spokesman for three unions is warning a general strike may be called if the government goes ahead with plans to deduct a day's pay from employees who called in sick on Monday. The civil servants staged a sick-out to protest government wage policies. Prime Minister Herbert Blaize says he has already given the order to deduct the day's pay.

HAITI

GOVERNMENT TO PRESS FOR DUVALIER'S EXTRADITION

FL281140 Bridgetown CANA in English 0939 GMT 28 Feb 86

[Excerpts] Port-au-Prince, Feb 28, CANA-REUTER -- Haiti's new government announced last night it would press for the extradition of Jean-Claude Duvalier, the fallen dictator who left here on February 7 for exile. A government communique read over television by Justice Minister Gerard Gourgue said Duvalier would soon be the subject of an extradition request. The communique added that the five-man government council that has been running Haiti since the departure of Duvalier, would also seek the extradition of former Police Chief Albert Pierre from exile in Brazil.

The statement, issued after two days of violence and looting, responded to growing public pressure for action against leaders and officials of the Duvalier dictatorship. The announcement to have Duvalier returned to Haiti appeared to be a reversal of policy by the five-man civilian-military council formed after his departure at the end of 28 years of dictatorial rule by the Duvalier family. According to diplomats, the council showed no inclination in its first two weeks to press action against Duvalier, known as Baby Doc, and his aides.

The communique said the state would seize the property of people denounced by public clamour, an apparent reference to Duvalier's secret police and militia, the Tontons Macoutes.

In another move to diffuse mounting public criticism of the government, the council announced reductions in the price of sugar, flour, and petrol and reiterated that it was laying the groundwork for a return to democracy here. The statment said there would be general elections after a newly-formed constituent assembly had drafted a constitution and electoral laws. No timetable was given.

Calm Returns

FL282114 Bridgetown CANA in English 2038 GMT 28 Feb 86

[By Bernd Debusmann]

[Text] Port-au-Prince, Feb 28, CANA-REUTER -- Calm returned to Haiti today after the new government pledged to take action against ousted dictator Jean-Claude Duvalier and key officials of his regime. Sporadic gunfire reverberated through Port-au-Prince through much of the night, but by afternoon today no major incidents of looting or violence had been reported. Radio stations repeated a government appeal for peace, order and unit in building up Haiti, the poorest country in the Western Hemisphere.

But doubt abroad over the security situation here was reflected by the continued suspension of flights by the two U.S. airlines with serve to Haiti -- Eastern and American Airlines. They stopped flying to Port-au-Prince after hundreds of angry Haitians besieged the international airport on Tuesday to prevent the departure of former Secret Police Chief Luc Desir.

The government last night announced it would seek the extradition of Duvalier, who fled to France on February 7, ending 28 years of dictatorial rule in Haiti by the Duvalier family. A government communique read by Justice Minister Gerard Gourgue said the new rulers would also seek the extradition from Brazil of former Police Chief Albert Pierre. It promised that officials suspected of crimes under Duvalier would be arrested and their property seized. Issued after two days of looting and violence, the statement cooled tempers and diffused, at least temporarily, mounting public criticism of the military-civilian government council formed after Duvalier's departure. But the promise of proceedings to extradite Duvalier appeared to be little more than a symbolic gesture to placate public opinion after criticism of the councils apparent leniency towards leaders and officials of the ousted regime.

The French Embassy here said today there was no treaty of extradition between Haiti and France. On his arrival in France three weeks ago, the Paris government said Duvalier could stay for a maximum of one week, but he has ignored the deadline and is refusing to leave. Haitian Government officials today declined to specify what measures they would take to have Duvalier extradited. Last night's announcement merely said he would soon be the subject of an extradition request. Diplomats here could not recall a recent case of an exiled dictator having been returned to his country to stand trial.

Request Postponed

PA020335 Paris AFP in Spanish 0235 GMT 2 Mar 86

[Text] Port-Au-Prince, 1 Mar (AFP) -- The Haitian Ministry of Justice announced tonight through television that the procedures to request former President Jean-Claude Duvalier's extradition will not start until the ministry learns which country grants asylum to the former head of state.

The ministry attested to the French Office for the Protection of Refugees and Stateless Persons (OFPRA) that "former President Jean-Claude Duvalier was denied the status of refugee," and underscored that he currently lives in France "in a provisional status, according to the French Government's statements."

The Haitian Government announced on 27 February that it would begin the procedures to request Duvalier's extradition.

UNION SUPPORTS GOVERNMENT 1-YEAR GRACE PERIOD

PA020359 Madrid EFE in Spanish 2112 GMT 1 Mar 86

[By Ricardo Medina]

[Excerpts] Port-au-Prince, 1 Mar (EFE) -- The leading labor union in Haiti today held a thanksgiving mass for the fall of the Duvalierist regime, and one leader said the union will give the new government 1 year of confidence to organize the country.

Michael Roy, secretary general of the Federation of Unionized Workers [Federacion de los Trabajadores Sindicados], told EFE that "the National Government Council must be given at least 1 year to arrange and organize the country."

Roy added, "We hope that in less than 8 months a Constituent Assembly will be established, in which the workers will be represented, and that later on a date for presidential elections will be set."

Although General Henry Namphy's government has maintained the curfew, today stores opened normally and there were no reports of new lootings of the homes of former Duvalier collaborators.

The local media and the government insisted today on silencing, for the third consecutive day, the attack carried out by elite soldiers last Wednesday at the home of Serge Beaulieu, EFE correspondent in Port-au-Prince, during which at least one person was killed. EFE President Ricardo Utrilla sent a note of protest to Colonel William Regala, minister of the interior and of the Armed Forces.

Labor Leader Roy commented that unemployment "at this time must be at approximately 75 percent. No more than 25 percent of the workers are employed, especially since Duvalier's withdrawal, because many owners left and closed their factories and stores."

"We want to give the National Government Council time to put the country in order first. Although we have claims to make, this is not the moment to start asking for things. The Council must be given a 1-year margin. After this we will see," he concluded.

The Haitian labor leader made these statements after a thanksgiving mass at the Association of Drivers and Guides' assembly hall, where approximately 400 people gathered to celebrate the fall of the old regime.

The second leading labor union in the country, the Haitian Workers Autonomous Federation [Central Autonoma de Trabajadores Haitianos], last week stated that it opposes the government, requesting the dismissal of two members of the Junta, Engineer Alex Cineas and Colonel Prosper Avril, who the people have accused of being staunch Duvalierists.

TRINIDAD - TOBAGO

CENTRIST OPPOSITION GROUPS FORMALLY MERGE

FL250224 Bridgetown CANA in English 1647 GMT 24 Feb 86

[Text] Port-of-Spain, Trinidad, Feb 24, CANA -- Four centrist opposition political groups have formally merged into one party -- the National Alliance for Reconstruction (NAR) -- and its first political leader declared his readiness for a general election.

I think it is time to let (Prime Minister) George Michael Chambers know, NAR leader Robinson told hundreds at a special launching conference yesterday, we are ready for you anytime you come.

The ship is sinking and the captain dead so we, the passengers from today, we take charge and keep the ship afloat. We get ready to unload the excess cargo, Robinson said.

Representatives of the Tapia House Movement, the United Labour Front (ULF) and the Democratic Action Congress (DAC), which had a loose parliamentary alliance, and the Organisation for National Reconstruction (ONR) -- formally dissolved their separate parties.

Political analysts said the NAR represents the biggest challenge to three decades of political domination by Chambers' ruling People's National Movement (PMN) whose term expires in November.

Stressing the need for discipline and conduct within the party, Robinson, a former PNM finance minister, said: The way forward starts here and now. Regeneration of society and country begins here and now.

We have a tremendous responsibility not only to ourselves...added Robinson. All of the major crises that have faced the Caribbean within recent times could, to some extent either have been averted or minimised if Trinidad and Tobago had played its part.

We of the national alliance for reconstruction want to make it absolutely clear, in so far as our approach to regional affairs is concerned, we place the Caribbean region first...we know the difficulties that exist but we know that with the exercise of some patience, understanding and, above all, a willingness to undertake responsibility...we can maintain a dignified path and a dignified role for Trinidad and Tobago in the Caribbean....Our responsibility will be also to promote the dignified role of the Caribbean as a whole in world affairs.

I emphasise that its not going to be easy because of history, because of events which have taken place in the past, because of relationships, because of the patterns of conduct that have been established right here in Trinidad and Tobago with the rest of the Caribbean.

Chambers won't even talk to me in Tobago, said Robinson, chairman of the Tobago House of Assembly, let alone talking to his Caribbean brothers.

FINANCE MINISTER GREENIDGE UNVEILS BUDGET

FL010145 Bridgetown CANA in English 2336 GMT 28 Feb 86

[Text] Georgetown, Feb 28, CANA -- Business travellers will have to pay their hotel bills in foreign currency, Finance Minister Carl Greenidge announced today when he unveiled the government's budget. Guyana has a chronic foreign exchange shortage. The 1.2 billion dollar (one Guy dollar -- 24 cents U.S.) budget shows a 28 per cent decline on last years 1.5 billion dollar figure.

Greenidge said real growth last year was estimated at just over four per cent. He announced an immediate lifting of tax on pensions and gratuities. On the domestic front he said taxes on luxury and semi-luxury goods would be increased by five per cent and 10 per cent respectively. The tax on essential items remains at 10 per cent. Greenidge said there would be legislation for a consumption tax on hotels and restaurants and the employment of an impost, payable to the country of origin of gift barrels and parcels entering Guyana. He also announced a decontrol on the price of cigarettes.

Greenidge added that National Insurance Scheme [NIS] benefits would be improved with immediate effect. He did not elaborate. There is to be a removal of the ceiling on maternity benefits from 12 to 26 weeks, he added. The payment of old age pensions will no longer preclude disability pensions.

There will be a doubling of funeral benefits from 400 to 800 dollars and a payment of maternity benefits to husbands on the occasion of their wives confinement providing the wife is not a contributor to the NIS scheme, he added.

Also contained in the budget are separate taxation of the income of husbands and wives, a tax review aimed at increasing the real income of workers, particularly those in the lower income brackets, measures to help bring down prices of agricultural produce without harming farmers incomes and other relief measures for consumers and workers.

GOVERNMENT APPROVES IMPORTATION OF PRINTING PRESS

FL282252 Bridgetown CANA in English 2219 GMT 28 Feb 86

[Text] Georgetown, Feb 28, CANA -- After saying no for 15 years, the Guyana Government has approved an application from the opposition MIRROR newspaper to import a new printing press, the newspaper said. The decision by President Desmond Hoyte follows a meeting he had last September with opposition leader Dr Cheddi Jagan, whose Marxist People's Progressive Party (PPP) own the newspaper.

The decision reflects the new liberalisation policies of Hoyte's administration. The application for an import licence to bring in the new printing equipment was made back in 1971, but it was turned down by the late President Forbes Burnham, who died last August.